

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

Official Company name:

FERREYCORP S.A.A

Year:

2020

Website:

www.ferreycorp.com.pe

**Registered company name or
trade 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:

The companies with securities registered in the Public Registry of the Securities Market are required to disclose their good corporate governance practices to the public. For such purposes, they report their adherence to the principles contained in the Code of Good Corporate Governance for Peruvian Companies.

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. Shareholders' Rights;
- II. General Shareholders Meeting;
- III. Board of Directors and Senior Management ³;
- IV. Risk and Compliance; and,
- IV. Transparency of Information.

Each principle is evaluated based on the following parameters:

a) “Comply or explain” evaluation: the level of compliance that the company has reached is marked with a cross (x), taking into consideration the following criteria:

Yes: The principle is fully complied with.

No: The principle is not complied with.

- a) **Explanation:** in this field, if the company has checked the "No" option, it must explain the reasons why it has not adopted the principle or the actions developed that allow it to consider progress towards its compliance or partial adoption, as appropriate. Likewise, if deemed necessary, in the case of having checked the "Yes" option, the company may provide information on compliance with the principle.
- b) **Supporting information:** information is provided that allows us to know in greater detail 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.

SECTION A:

Introduction Letter⁴

Ferreycorp recognizes the importance of having solid corporate governance policies and practices that allow it to generate value, efficiency and strength for shareholders, as well as to maintain the trust of all its stakeholders, generating sustainable and profitable growth.

Furthermore, the corporation is aware of the advantages that good governance practices generate for it, such as greater prestige, an increase in its competitiveness and a boost to its sustainable development. At the same time, they inspire a sense of pride among its employees and contribute to its objective of creating value in the country.

For Ferreycorp, having clear Board policies; ensuring equitable treatment of shareholders; guaranteeing transparency of information in the management of the company; conducting the organization with integrity, equity and seriousness; and developing areas of control, risk management and compliance are some of the basic principles that govern its commitment to transparent governance and sustainability.

The path of corporate governance is distinguished by its continuous improvement. Therefore, Ferreycorp permanently updates and improves its corporate governance practices according to global trends and, especially, in accordance with what is required or recommended for Peruvian companies, in order to serve its shareholders and investors every day, maintaining excellent relations with them. The corporation remains alert to the opinion of the market whose expectation is to establish a direct and transparent relationship with the issuing companies with which it is linked.

It should be remembered that two decades ago the First Corporate Governance Code for Peruvian Companies was published, as a result of a public-private effort that allowed the definition of key fundamentals for its application in our country. In order to contribute to this initiative, Ferreycorp -at that time with 40 years in the Stock Exchange- and some other issuers had the valuable opportunity to share their experiences, in close coordination with Procapitales.

In fact, Ferreycorp's commitment to the equitable treatment of shareholders and to governance policies that are now included in the Principles of Good Corporate Governance dates back to the 60s, when the company's shares were listed on the Lima Stock Exchange. These solid foundations allowed the company to increase its participation in the capital markets in the 90s as an alternative source of financing.

Thus, in 1994, Ferreycorp began an active participation in the Peruvian capital markets, both fixed and variable income. In 1997, it made an international share issue (ADR) of US\$20 million, which was preferred by 50% of foreign shareholders. These milestones led the company to optimize its internal processes and add capabilities to serve its investors.

As a sign of its progress in this area, at that point in its trajectory the company already had a dedicated Investor Relations area, issued conference calls in English and quarterly press reports. The corporation has continued since then with the constant improvement of its policies and practices, in an ongoing and long-term effort that requires full attention to market signals; willingness and permeability to continually incorporate best practices;

and a commitment from the highest levels of the corporation, the Board and the Shareholders Meeting.

It is important to highlight Ferreycorp's participation, since 2006, in the Companies Circle, promoted by the International Finance Corporation (IFC) and the Organization for Economic Co-operation and Development (OECD). This initiative brings together an outstanding group of leading companies in corporate governance in Latin America, which exchange experiences in this field and share them with other organizations to promote a multiplier effect.

At the core of its management, Ferreycorp gives maximum importance and sticks to the principles of the Code of Good Corporate Governance for Peruvian Companies, updated in 2013 and divided into five pillars: i) Shareholders' Rights; ii) General Shareholders Meeting; iii) The Board and Senior Management; iv) Risk and Compliance; and v) Transparency of Information. The corporation's governance guidelines respond to national and international regulations and other global principles, as well as to the values it has promoted in its 98 years of history.

The company considers, among the key activities to safeguard the rights of its shareholders, the provision of relevant information, permanent and timely on its operations; the visibility of the information published to the market through its corporate website, which is kept updated; and the dedication to plan and disseminate the realization of the Shareholders Meetings, seeking to convene the largest possible participation, either in person or through specific and detailed proxies. Likewise, it has incorporated internal mechanisms to follow up on the agreements adopted at the Boards and to report it through its web page.

At the same time, the corporation recognizes that one of the main rights of shareholders is to receive the profitability generated by their investment; to this end, it has a Dividend Policy, which it has fully complied with for more than 20 years. It is worth mentioning that the 2019 Annual General Shareholders Meeting modified this policy to allow the delivery of extraordinary dividends above the established ceiling.

De igual forma, con la finalidad de darle una mayor liquidez a su acción, Ferreycorp cuenta con un formador de mercado (*market maker*) desde el año 2016.

Likewise, in order to provide greater liquidity to its shares, Ferreycorp has a market maker since 2016.

It is worth noting that during 2020, Ferreycorp maintained its inclusion in the Good Corporate Governance Index of the Lima Stock Exchange (BVL) for the thirteenth consecutive year since the creation of this initiative. At the same time, the corporation was distinguished by occupying first place in the "Voz del mercado" (Voice of the Market) 2020 ranking, presented by EY and the BVL.

These awards ratify the corporation's commitment to its stakeholders to maintain a transparent, reliable and sustainable company, and motivate it to continue innovating constantly. Ferreycorp reaffirms its commitment and conviction that these good practices have an impact on the generation of value, reducing risks and costs, and creating competitive advantages.

Equal treatment to shareholders

Ferreycorp guarantees equitable treatment to all its shareholders, both majority and minority, local and foreign, protecting their rights equally. It also provides adequate and timely disclosure of all corporate matters considered relevant, following strict privileged information guidelines, and ensures the strategic management of the organization through the effective monitoring of the Board and the definition of its liabilities to the shareholders.

In particular, at the end of 2020, Ferreycorp's *retail* shareholders totaled 3,069, equivalent to a significant increase of 35% compared to 2019.

Ferreycorp promotes active participation in its Annual Shareholders Meeting, an institution that not only reports the results of the previous year's management, but also evaluates and approves strategic decisions for the operation of the corporation. In this sense, Ferreycorp encourages that the motions on the agenda be circulated and approved by the largest number of shareholders present at the meeting or represented through their proxies and seeks to increase the *quorum* at the annual meeting.

The corporation informs the shareholders of the items on the agenda and, at the same time, provides them with a detailed description of 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 Board and helping them to cast their vote with knowledge. This document is also published as a Material Fact and on the corporate website, both in Spanish and English.

In this context, under the Emergency Decree N°056-2020 and Superintendent's Resolution N°050-2020-SMV/02, on July 30, 2020 the Annual General Shareholders Meeting was held through the Cisco Webex platform. The call was made with due anticipation and the notice of call, the informative document on the procedure for holding the Virtual Annual General Mandatory Shareholders Meeting and the guide for the use of the Cisco Webex platform were published, as well as the information and documentation related to the matters to be discussed as a Significant Matter and in the 2020 General Shareholders Meeting section of Ferreycorp's website. Additionally, an e-mail was sent to shareholders who have updated their personal information.

The Shareholders meeting was attended by 138 shareholders, including those who granted proxies, which allowed the meeting to be held with a *quorum* that reached 72.0097% after the start of the session.

Thanks to the best practices in relation to the convening of the Shareholders Meeting, disclosure of the agenda and the Board's proposals, the two main international *proxy advisors* that provide recommendations for the management of votes -Institutional Shareholder Services Inc. (ISS) and Glass, Lewis & Co.- recommended to investors in general that all agenda items be voted in favor at the July 2020 Board.

During this meeting, the General Manager - as the person responsible for this matter - reported on the compliance and follow-up of the resolutions adopted at the Annual General Shareholders Meeting held in March 2019. These resolutions, in turn, had already been reported to the Board and disclosed to the market as a Important Matter, as well as published on Ferreycorp's website.

During the Annual Shareholders Meeting held on July 30, 2020, the audited Financial Statements, the Annual Report and the following agenda items were approved as detailed in the following:

- 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. On recommendation of the Shareholders Meeting, it was agreed to distribute a cash dividend of S/ 146,912,816.15, equivalent to S/ 0.15328898843 per share (15.328898843%) and a dividend yield of 8.8%. The Shareholders Meeting delegated to the Board of Directors the authority to determine the amount or amounts to be distributed at the time or times dividends are to be paid, as well as to determine and communicate the corresponding record and delivery dates within the next eight months following the Shareholders Meeting. The dividend was paid to shareholders in two equal parts in October and December 2020.
- Approval of the election of the Board for the period 2020-2023. The Board agreed to recommend to the Shareholders Meeting to keep the number of directors at nine. Finally, five dependent directors and four independent directors were elected.
- Approval of the proposal of the Board to hire the firm Gaveglío, Aparicio y Asociados Sociedad Civil de Responsabilidad Limitada, a member firm of PricewaterhouseCoopers (PwC), for the financial audit of fiscal year 2020, delegating to the Board to negotiate the conditions of its hiring.

At the Board of Directors' Nominating, Remuneration, Corporate Governance and Sustainability Committee meeting held on November 23, 2020, the implementation of these agreements was reported to the Board, which will also be reported to the March 2021 Shareholders Meeting.

Finally, the Board, at its meeting of October 30, 2019, approved a share buyback program of own-issued for up to 50 million shares (5% of the capital), in a context in which the share price was located below its fundamental value, and even book value, making it an attractive investment opportunity.

This program has allowed the corporation to meet several objectives, such as giving the market a message of confidence in the business environment; and ensuring that the share price did not fall sharply by withdrawing shares from the market. The share buyback program has been executed during the year and will continue to be monitored and reported to the market. The maximum holding period for this investment in treasury stock is two years, in accordance with the provisions of the General Corporations Law.

As of December 31, 2020, Ferreycorp holds 17,839,132 shares in its portfolio, for a value of S/. 35,848,736 at an average price of S/. 2.01.

Structure and functioning of the Board of Directors

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

The Shareholder's Meeting elects the Board of Directors in a specific manner and through the *Proxy Statement* the professional background of the candidates is made known to the shareholders in advance. The curriculum vitae, as well as the director's independent status, date of birth and gender are published on Ferreycorp's website.

The Shareholders Meeting held on July 30, 2020 elected the Ferreycorp's Board for the period 2020 - 2023, composed of nine members, four of whom are independent and two

of whom are women, ensuring a plurality of opinions within the Board, so that the decisions adopted by the Board are the result of appropriate deliberation, always observing always the best interests of the company and its shareholders.

The members of the new Board received an induction session on the strategy, business plans, structure and results of the different companies of the organization, and were also given the main policies and rules of the corporation (Bylaws, Corporate Compliance Policy, Regulations of the General Shareholders Meeting and Board, Corporate Rules for Safeguarding Confidentiality, Transparency and Disclosure of Information to the Capital Markets, and Director's Affidavit). Likewise, the operation of the Board's administration platform was explained to them and a guided tour of the main facilities of the subsidiary companies was organized.

Directors participate not only in monthly meetings, but also in special committees (Audit and Risk; Nominating, Remuneration, Corporate Governance and Sustainability; Innovation and Systems; and Investment), three of which are chaired by independent directors.

Likewise, as it does every year, the Board carried out a self-assessment of its performance, including the convening, agenda, meetings and conduct of the same. It should be noted that, on an interannual basis, an external consultant evaluates the Board's management. The result of this evaluation was outstanding, both for the performance as a collegiate Body, as well as at the individual level.

The policies and practices of the Board are defined in the Company's Bylaws and in its operating regulations, which contemplate its responsibilities and functions, its composition and selection criteria, the induction procedure, the rules for convening and conducting its meetings, the submission of information, its evaluation and the definition of its compensation, among other aspects.

Transparency and disclosure of information

Ferreycorp ensures appropriate, truthful, timely and reliable disclosure of information.

In line with these transparency practices through permanent interaction with shareholders and investors, Ferreycorp has been deploying strict procedures for the handling of reserved and privileged information. In this way, it ensures that accurate and regular information is presented on all relevant matters, including the financial situation, business performance, market situation, economic group information and the delivery of rights to shareholders, among other topics.

In particular, with respect to the treatment of privileged information, the Internal Code of Conduct to Safeguard Confidentiality, Transparency and Disclosure of Information to the Capital Markets were modified to a Corporate Code. This rule included the "Blackout Period", which establishes that all persons who, in the performance of their duties, have access to privileged information, may not buy or sell securities of Ferreycorp and its subsidiaries during the fifteen days prior to the publication of results.

In response to the good practice of making available to the market different points of contact to gather information, in 2020 Ferreycorp participated in several individual and group conference calls with local and foreign investors; participated in virtual conferences organized by brokerage houses and investment banks; and organized a local virtual *non deal roadshow*, which allowed it to contact its main institutional investors, to whom the corporation's results and strategy were presented in detail.

At the same time, it continued with the quarterly publication of results, with the analysis and discussion of the results -both in English and Spanish-, and with the quarterly *conference calls*, accompanied by a *webcast*, with the participation of institutional investors, rating agencies, investment banks, and national and foreign analysts. In addition, it organized three special conference calls in order to provide the market with as much transparency and information as possible regarding the impact of the quarantine on Ferreycorp's financial results and the strategy implemented by the company. The General Management, Finance Management and Investor Relations Management attended these meetings. The company considers that the deployment of these mechanisms for the dissemination of relevant company information has allowed foreign funds to invest and maintain their high shareholding in the company.

Finally, in line with this vocation to be close to the market, the corporation has an area dedicated exclusively to serving them: the Investor Relations and Securities Management, which is part of the Corporate Finance Management.

Risk and Compliance

Comprehensive Risk Policy

It is necessary to highlight the development of an 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, in order 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. In turn, the general managements of the subsidiaries coordinate with Ferreycorp's specialized Risk Control area the risks encountered and the action plans to mitigate them. This area, composed of employees strategically trained in risk analysis, crisis and business continuity, periodically updates the risk mapping and classifies them according to their level of criticality (critical, high, moderate and low).

During 2020, Ferreycorp's specialized Risk Control area updated the risk map, which was presented to the Audit and Risk Committee of the Board of Directors, 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 the actions carried out and the results obtained. Its work is performed exclusively, with autonomy and independence, experience and expertise in the matters under its evaluation

At the beginning of the year, Ferreycorp had the support of the consulting firm BDO for the preparation of the 2020 Audit Plan. The improvement of internal processes and systems allowed the corporation to perform more than 90% of its audits remotely during the year, completing the annual plan.

In 2020, Ferreycorp's Corporate Audit Management presented the work plan for the year to the Audit and Risk Committee and reported periodically on the results of the audits carried out in each of the corporation's companies.

On the other hand, Ferreycorp and its subsidiaries hire independent external auditors to issue an opinion on the integrity of the Company's annual audited Financial Statements, both individual and consolidated.

In accordance with corporate policy, these auditors may issue an opinion on the financial statements of the companies for five years with the possibility of being appointed for an additional period, if 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, depends on the evaluation made by the Audit and Risk Committee. The external auditors perform evaluations on the effectiveness and operability of the internal control system. For the year 2020, the firm Gaveglio, Aparicio y Asociados Sociedad Civil de Responsabilidad Limitada, a member of PricewaterhouseCoopers (PWC), was in Position of the financial audit, and completed its fifth year to the satisfaction of the company.

Similarly, Ferreyros, Motored, Motriza, Orvisa and Unimaq require the services of independent external auditors to audit the Anti-Money Laundering and Terrorist Financing System. Their mission is to issue an opinion expressing their opinion regarding compliance with the regulations governing the prevention of anti-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 2020, the Compliance Report was presented to the Board's Audit and Risk Committee, which included the biannual progress in compliance matters. The first delivery of the report was presented in the committee held in February with information at the end of 2019; the second, in September, analyzed the results of the first half of 2020.

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

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 the existing and long-term ones that are part of the corporate culture, as well as the newly created ones.

In 2020, Ferreycorp's General Management approved the fifteen documents that are part of the System for the Prevention of Corruption. With this, today the system is integrated by the Corporate Code of Ethics; the Corporate Compliance Policy for the Prevention of Corruption; the corporate code, which guide the conduct of employees, officers and directors in circumstances that could present risk situations, such as the giving and/or receiving of gifts, conflict of interest, business with government agencies and the relationship with public officials; as well as other codes that affect the control of reputational risks and prevent corruption in business with third parties. Likewise, the procedures are part of the system, contributing to its efficient management. These include those focused on the identification and evaluation of risks, the performance of system audits, and the management of communications, among others.

As described in the Compliance section of the Integrated Annual Report 2020, during the year the System for the Prevention of Corruption was implemented in five companies of the corporation: Ferreycorp, Ferreyros, Unimaq, Soltrak and Fargoline. In 2021 it will be implemented in the other subsidiaries in Peru: Orvisa, Motored, Sitech, Ferrenergy and Forbis Logistics. In 2022, this effort will be completed with the subsidiaries located abroad.

It should be noted that for several years there has been a Corporate Ethics and Compliance Officer, a reporting channel and training processes for employees in this area, as the main elements for the operation of the system.

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 at the end of 2019 the distinction "Certified Anti-Bribery Company" by the Association of Businessmen for Integrity. This recognition demonstrates the existence and proper functioning of an anti-corruption regulatory system, with clear principles to promote ethical behavior, based on values, with all stakeholders.

During the year 2021, four other companies of the corporation are preparing to apply for the Anti-Bribery Certified Company label. All of them will seek certification in the international standard ISO 37001: Anti-Bribery Management Systems, the highest international standard in this area.

For more information on this matter and on issues related to the Code of Ethics, please refer to section 2.4, Compliance, of the Integrated Annual Report 2020.

SECTION D:

In addition, the corporation describes below other relevant topics within its scope:

Transactions between related companies.

Ferreycorp and its subsidiaries carry out commercial and financial transactions between them, for which it has a transfer pricing standard between companies of the corporation. According to this rule, market prices must be considered, both in the margins for sales of products between companies and in the Positions for intragroup services, rents and interest on loans. These prices are set according to the mechanisms approved by the auditing firm in Position of preparing the transfer pricing report, determining lower and upper quartiles for gross margins Positiond 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 on this point. During 2018, the Corporate Standard on Transfer Pricing between related companies of Ferreycorp was updated.

Likewise, transfer-pricing reports were submitted to the National Superintendency of Customs and Tax Administration (Sunat).

Rotation of the validation firm for the report on compliance with the Principles of Good Corporate Governance

In accordance with the new regulations of the Lima Stock Exchange (BVL), which established that the validation firm for the Corporate Governance Questionnaire must be rotated after three years, Ferreycorp hired MC&F as validator for the review of the 2015 and 2016 report.

For the validation of the Corporate Governance Questionnaire on the 2017 and 2018 fiscal year, Ferreycorp changed validator and hired Pacific Credit Rating (PCR), while for the validation of the Corporate Governance Questionnaire on the 2019 fiscal year it hired MC&F. The validation resulted in a score of 100%.

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, an initiative of the OECD and the IFC, which seeks to positively influence other companies by sharing corporate governance practices. The Companies Circle is made up 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, distinguished with the first place in the ranking "La Voz del Mercado" 2020, presented by EY and the BVL. This distinction considers compliance with the Principles of Good Corporate Governance and share liquidity.
- Ferreycorp's stock, with its 3,300 shareholders in Peru and abroad, has been included in the Good Corporate Governance Index (IBGC) for thirteen consecutive years.
- Ferreycorp was ranked fifth in the Merco Responsibility and Corporate Governance (Merco Responsabilidad y Gobierno Corporativo) ranking, which included more than 4,000 respondents nationwide. Likewise, it was distinguished as leader in the Industrial category in this prestigious corporate reputation monitor.

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 have an impact on the generation of value, reducing risks and costs, and 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 it has traveled. Finally, the corporation participates permanently in forums and instances to promote the development of the Peruvian capital market.

SECTION B:

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

PILLAR I: Shareholders Rights

Principle 1: Parity of treatment

Question I.1	Yes	No	Explanation:
<i>The company recognizes in its actions an equal treatment of the shareholders of the same class and who maintain the same conditions (*)?</i>	x		The company has only one type of share: ordinary share, with the same rights and conditions.

(*) The same conditions are understood to be those particularities that distinguish the shareholders, or cause them to have a common characteristic, in their relationship with the company (institutional investors, non-controlling investors, etc.). It should be noted that this in no case implies that the use of privileged information is favored.

Question I.2	Yes	No	Explanation:
<i>Does the company only promote the existence of classes of shares with voting rights?</i>	x		The company has only one type of share and each share entitles its holder to cast one vote.

a. On the capital of the company, specify:

Subscribed capital at year end closing	Paid-in capital at year-end closing	Total number of shares representative of the capital	Number of shares with voting rights
S/ 975,683,029.00	S/ 975,683,029.00	975,683,029	957,843,897

b. If the company has more than one class of shares, specify:

Type	Number of shares	Nominal value	Fees (*)

(*) In this field you must indicate the particular rights of the class that distinguish it from the others.

Question I.3	Ye	No	Explanation:
<i>If the company has investment shares, does the company promote a policy of redemption or voluntary exchange of investment shares for common shares?</i>		x	Not applicable, the company does not have investment shares.

Principle 2: Participation of the shareholders

Question I.4	Yes	No	Explanation:
<i>a. Does the company establish in its corporate documents the form of representation of the shares and the person responsible for the registration in the stock record?</i>	x		The form of representation of the shares is detailed in the Company's Bylaws, which establish that the shares may be represented by certificates, book entries or any other form permitted by law. Likewise, a person responsible for the registration of the registration of the stock record has been defined in the Corporate code of conduct and in the job description of the Securities Analyst.
<i>b. Is the stock record kept permanently updated?</i>	x		On a daily basis, the Securities Department modifies everything related to the transfer of shares, as soon as the information is received from Cavali, including the number of shares and keeping the registration up to date. The information is verified monthly with Cavali's reports.

Indicate the frequency with which the stock record is updated, after becoming aware of any changes.

Frequency:	Within forty eight hours	x
	Weekly	
	Other / Detail (in days)	

Principle 3: Non-dilution in the capital stock interest

Question I.5	Yes	No	Explanation:
<i>a. Does the company have a policy that the proposals of the Board regarding corporate transactions that may affect the shareholders' right of non-dilution (i.e., mergers, demergers, capital increases, among others) are previously explained by said Body in a detailed report with the independent opinion of an external advisor of recognized professional solvency appointed by the Board?</i>	x		This policy is included in Article 15 of the Board Regulations. During the fiscal year 2020, there were no transactions that could affect the shareholders' right of non-dilution.
<i>a. Does the company have a policy of making such reports available to shareholders?</i>	x		The Company has hired external consultants when it has carried out operations that could affect the shareholders' right of non-dilution, as in the case of issuance of securities, corporate

			reorganization and capital reduction, and their conclusions were presented to the Board. Article 15 of the Board's Regulations contains the corresponding policy, which includes making such reports available to the shareholders.
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In the event that during the fiscal year the company has carried out corporate operations under the scope of literal a) of Question I.5, and if the company has independent directors (*), specify whether in all cases:

NOT APPLICABLE

	Yes	No
Did all independent directors vote in favor of the appointment of the external advisor?		
Did all the independent directors clearly express their acceptance of the aforementioned report and support, if applicable, the reasons for their disagreement?		

(*) The independent directors are those selected for their professional trajectory, honorability, sufficiency and economic independence and disassociation with the company, its shareholders or directors.

Principle 4: Shareholder information and communication

Question I.6	Yes	No	Explanation:
<i>Does the company determine the responsible parties or means for shareholders to receive and require timely, reliable and truthful information?</i>		x	Without prejudice to the information responsibilities of the general manager, in accordance with article 190 of the General Corporations Law, the corporate Finance Manager and the Assistant Manager of Investor Relations and Securities receive and respond to requests for information. Likewise, the persons in Position of receiving, processing and responding to shareholders' requests for information are: Andrea Zolessi - Securities Analyst is in Position of responding to shareholder requests, in particular regarding share holdings, delivery of cash dividends, participation in Board, etc. and, Elizabeth Tamayo Maertens - Assistant Manager of Investor Relations and Securities, in Position of attending to the information requirements of shareholders, investors, analysts, risk classifiers and the general public, and ensuring compliance with the Principles of Good Corporate Governance, especially with regard to information transparency issues.

a. Indicate the means by which the shareholders receive and/or request information from the company.

Means of communication	Receive information	Request information
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E-mail	X	X
By telephone	X	X
Corporate website	X	X
Postal mail	X	X
Informative meetings	X	X
Others / Detail	Website of the Superintendence of Securities Market.	

b. Does the company have a maximum period for responding to requests for information submitted by shareholders? If the answer is affirmative, please specify the deadline.

Maximum term (days)	3
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Question I.7	Yes	No	Explanation:
	<i>Does the company have mechanisms for shareholders to express their opinion on the development of the same?</i>	X	

If the answer is affirmative, describe the mechanisms established by the company for shareholders to express their opinion on the development of the same.

The company has different mechanisms to receive the opinion of shareholders regarding the development of the company: (i) there is a link on the corporate website for shareholders to express their opinion; (ii) the company has a toll free line exclusively dedicated to shareholders which is answered by the executive in Position of Securities; (iii) the shareholders can express their opinion to the mail of the person responsible for the Relations Department with Investors or via telephone; iv) General Management, Finance and Relations with Investors participate in meetings and conferences organized by investment banks and Maximum term (days) a brokerage firms where they meet with investors and listen to their opinions; v) Investor visits to the company's offices or facilities; v) the company encourages shareholder participation in the Board and invites them to ask Questions and make comments during the Board.

Principle 5: Participation in the company's dividends

Question I.8	Yes	No	Explanation:
a. <i>Is compliance with the Dividend Policy subject to evaluations of defined periodicity?</i>	x		<p>A table with the profit distribution approved at the General Board and the dividends to be distributed, as well as the record and payment date, is published annually on the corporate website.</p> <p>In addition, each year, at the beginning of the General Board, the implementation of the resolutions adopted at the previous year's Board is reviewed, including the compliance with the profit distribution approved in accordance with the current dividend policy.</p>
b. <i>Is the Dividend Policy made known to shareholders, among other means, through its corporate website?</i>	x		<p>On the corporate website there is an exclusive section on dividends, which discloses the dividend policy, cut-off, record and payment dates, as well as a historical table with dividends paid and a calculator for the shareholder to determine the amount of dividends to be received:</p> <p>https://www.ferreycorp.com.pe/es/gobierno-corporativo/politica-de-dividendos</p>

a. Indicate the Company's dividend policy applicable to the fiscal year.

Date of approval	27/03/2019
Dividend Policy (criteria for profit distribution))	<p>The policy states that: "The dividend to be distributed in cash shall be equivalent to 5% of the par value of the shares issued at the time the Board is called, and the amount to be distributed may reach up to 60% of the freely distributable profits for the year.</p> <p>In the event that 5% of the par value of the shares issued at the time the board is called is less than 60% of the unrestricted profits obtained at the end of the year, the board may distribute a higher cash dividend, whose ceiling shall be equivalent to 60% of the profits for the year.</p> <p>Notwithstanding the foregoing, the Shareholders Meeting may, at the proposal of the Board of Directors, approve a distribution of extraordinary dividends in excess of the maximum ceiling of the policy, when extraordinary income is generated or there is a relevant variation in market or business circumstances that produce an excess of liquidity. Likewise, the Board of Directors may propose and agree to distribute interim dividends during the corresponding fiscal year, or after the end of the fiscal year until the dividend is determined. This decision shall be based on the information in the financial statements showing the existence of distributable profits in the current fiscal year.</p> <p>The delivery of extraordinary dividends and the distribution of interim dividends shall be made when no alternative uses are contemplated for the surpluses, such as the payment of debt, the</p>

	increase of working capital or the realization of new investments, among others. Likewise, such distributions must 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 the payment of its corporate obligations, based on the report submitted by the general management.”
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- b. Indicate the cash and stock dividends distributed by the company in the fiscal year and in the previous fiscal year.

Per share	Dividends per share			
	Year Reported		Fiscal year prior to the reporting period	
	In cash	In shares	In cash	In shares
Ordinary share	0.15328898843	-	0.227036219144	-

Principle 6: Takeover or change of control

Question I.9 -	Yes	No	Explanation:
<i>Does the company maintain policies or agreements not to adopt anti-absorption mechanisms?</i>		x	Ferreycorp has no policies or agreements to adopt anti-absorption mechanisms.

Indicate whether any of the following measures have been established in your company

	Yes	No
Requirement of a minimum number of shares to be a director		x
Minimum number of years as director to be appointed as Chairman of the Board		x
Indemnity agreements for executives/officers as a result of changes after a Public Acquisition Offer (OPA)		x
Others of a similar nature/ Detail		

Principle 7: Arbitration to solve disputes

Question I.10	Yes	No	Explanation:
<p><i>a. Does the Company's Bylaws include an arbitration agreement that recognizes that any dispute is submitted to arbitration between shareholders, or between shareholders and the Board of Directors, as well as the challenge of resolutions of the General Shareholder Meeting (GSM) and the Board of Directors by the Company's shareholders?</i></p>	x		<p>The 2016 General Shareholders Meeting approved the amendment of the Bylaws to include an arbitration clause.</p>
<p><i>b. Does such a clause facilitate the resolution of disputes by an independent third party, except in the case of express legal reservation before the ordinary courts?</i></p>	x		<p>The arbitration clause establishes that disputes shall be submitted to the unappealable decision of an arbitration tribunal composed of three (3) members. The arbitration will be at law and administered by the arbitration center of the Lima Chamber of Commerce or the American Chamber of Commerce of Peru (Amcham-Peru), at the option of the party raising the dispute, which will be subject to the Arbitration Rules of the aforementioned center and will be held in the city of Lima.</p>

In the event that shareholders or others involving the Company during the fiscal year have challenged resolutions of the GSM and the Board, specify the number.

Number of challenges to the agreements of GSM	0
Number of challenges to Board of Directors' resolution	0

PILLAR II: General Shareholders Meeting

Principle 8: Role and competence

Question II.1	Yes	No	Explanation:
<i>Is it the exclusive and non-delegable function of the GSM to approve the remuneration policy of the Board of Directors?</i>	x		The compensation policy for the Board of Directors is established in the Company's Bylaws, which were approved by the GSM.

Indicate whether the following functions are exclusive to the GSM, and if not, specify the Body that performs them.

	Ye s	No	Body
To provide for investigations and special audits	x		It is not only the power of the GSM, but also of the Board/Management.
To agree to the amendment of the Bylaws	x		
To agree to an increase in capital stock	x		
To agree on interim dividend distribution	x		
Appoint external auditors	x		

Principle 9: Regulations to the General Shareholder's Meeting

Question II.2	Ye	No	Explanation:
<i>Does the company have a GSM Regulation, which is binding in nature, and does non-compliance entail liability?</i>	x		The Board Regulations state that both the Bylaws and the Internal Regulations of Shareholders Meetings are mandatory for the respective parties and are therefore binding, and non-compliance entails liability.

If there is a GSM Regulation, please specify if it establishes the procedures for:

	Yes	No
	x	
Incorporating agenda items from shareholders	x	
Providing additional information to shareholders for the Meeting	x	
The development of the Meeting	x	
Appointment of the members of the Board	x	
Other relevant/ Detail		

Principle 10: Calling Mechanisms

Question II.3	Ye	No	Explanation:
<i>In addition to the convening mechanisms established by law, does the company have convening mechanisms that allow it to establish contact with shareholders, particularly with those who do not have an interest in the control or management of the company?</i>	x		<p>The company prepares a letter to the shareholder, a <i>proxy statement</i> with the development of the agenda and a proxy form, in Spanish and English versions. These documents are distributed to shareholders, posted on the website and sent to the Superintendencia de Securities Market SMV as a Important Fact. The company establishes contact with the investors' <i>proxy voting team</i> to answer any questions that may arise regarding the agenda items and to ensure not only the <i>quorum</i>, but also the quality of the vote. Shareholders' consultations are attended to regarding the agenda items to be submitted for approval at the Board, and at meetings with investors it is announced that the Board will be held in March in order to ensure their participation.</p> <p>The Person in Charge of the Securities Department communicates by telephone or e-mail with shareholders and follows up on their participation in the Board, either directly or through a representative.</p>

a. Complete the following information for each of the Meeting held during the fiscal year:

Date of notice of announcement	Date of the Board	Place 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
June, 24, 2020	July 30, 2020	Jr. Cristóbal de Peralta Norte 820, Monterrico, Santiago de Surco (Ferreycorp's institutional location)		x		x	72.0097%	138	70.49%	1.51%	26.22%

(*) The direct exercise includes voting by any means or modality that does not imply representation.

- a. What means, in addition to those contemplated in Article 43 of the General Corporations Law and the provisions of the Regulation on Matters fact and Confidential Information, did the company use to disseminate the notices of the Meeting during the fiscal year?

E-mail	x	Postal service	x
By telephone	x	Social Networks	
Corporate website	x	Other / Detail	

Question II.4	Yes	No	Explanation:
<i>Does the company make available to shareholders all information regarding the items on the GSM agenda and the proposed resolutions that it intends to adopt (motions)?</i>	x		<p>The shareholders have at their disposal, prior to the Meeting, the items on the agenda with a development of the proposals and the documents to be approved, such as the Annual Report; the Report on Compliance with the Good Corporate Governance Code for Peruvian Companies and the Sustainability Report; and the Financial Statements, which are communicated as Significant Matters and through the corporate website in the section of the Shareholders Meetings.</p> <p>In addition, for the 2020 Virtual Mandatory Annual Shareholders Meeting, an informative document was made available with a description of the accreditation procedure and development of the Meeting, as well as a guide for the use of the Webex Events platform, through which the session was held.</p>

In the notices of announcement made by the company during the fiscal year:

	Yes	No
Was the location of the information regarding the agenda items to be discussed at the Meetings specified?	x	
Were "other items", "miscellaneous items" or similar included as agenda items?		x

Principle 11: Agenda item proposals

Question II.5	Yes	No	Explanation:
<i>Do the GSM Regulations include mechanisms that allow shareholders to exercise the right to formulate proposals for agenda items to be discussed at the GSM and the procedures for accepting or rejecting such proposals?</i>	x		<p>The Shareholders Meetings Regulations establish that shareholders may send a communication to the Chairman of the Board by letter, e-mail or Ferreycorp S.A.A.'s web page, preferably before February 15 and at the latest before the expiration of the deadline to call the announcement, requesting the inclusion of any material issue that may affect the rights of the shareholders. The Chairman will submit it to the consideration of the Board, which will approve the announcement to the General Shareholders Meeting and establish</p>

		the agenda items. The Board shall evaluate the shareholders' requests and, if it considers them to be in the corporate interest, shall include them as agenda items. If the Board rejects any of these requests, through its Chairman, it shall communicate the decision in writing to the requesting shareholder with the corresponding justification on the day following the Board.
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- a. Indicate the number of requests submitted by shareholders during the fiscal year to include agenda items to be discussed at the GSM, and how they were resolved:

Number of requests		
Received	Accepted	Denied
0	0	0

In the event that requests to include agenda items to be discussed at the GSM have been denied during the fiscal year, indicate whether the company communicated the basis for the denial to the requesting shareholders.

NOT APPLICABLE

Yes

No

Principle 12: Procedures for the exercise of the right to vote

Question II.6	Ye	No	Explanation:
<i>Does the company have mechanisms in place that allow the shareholder to exercise the vote remotely by secure electronic or postal means, which guarantee that the person casting the vote is indeed the shareholder?</i>	x		The shareholders who are not present at the GSM may vote remotely, through their custodian banks or a designated representative, who receive the voting instructions and represent them at the Board. The proxies are also received from the shareholders, which are sent by postal or electronic means in which they indicate their intention to vote individually for each of the items on the agenda.

- a. If applicable, indicate the mechanisms or means that the company has for the exercise of the vote remotely.

Voting by electronic means	x	Voting by postal service	X
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b. If remote voting was used during the fiscal year, please specify the following information:

Meeting date	% remote voting				% remote voting / total
	E-mail	Corporate website	Postal mail	Other	
30/07/ 2020	100				69.57

Question II.7	Ye	No	Explanation:
<i>Does the company have corporate documents that clearly specify that shareholders may vote separately on matters that are substantially independent, so that they can exercise their voting preferences separately?</i>	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

Indicate whether the company has corporate documents that clearly specify that shareholders may vote separately for:

	Yes	No
The appointment or ratification of the directors by individual vote by each of them.	x	
The amendment of the Bylaws, for each article or group of articles that are substantially independent.	x	
Other/ Detail		

Question II.8	Yes	No	Explanation:
<i>Does the company allow those acting on behalf of several shareholders to cast separate votes for each shareholder, so as to comply with the instructions of each represented?</i>	x		Voting is differentiated not only for each shareholder represented, but also for each agenda item.

Principle 13: Delegation of voting rights

Question II. 9	Yes	No	Explanation:
<i>Do the Company's Bylaws allow its shareholders to delegate their vote in favor of any person?</i>	x		

If your answer is negative, indicate whether your Bylaws restrict the right of representation in favor of any of the following persons:

NOT APPLICABLE

	Yes	No
From another shareholder		
From another director		
From a manager		

Question II.10	Yes	No	Explanation:
<i>a. Does the company have procedures detailing the conditions, means and formalities to be complied with in the situations of voting delegation?</i>	x		
<i>b. Does the company make available to the shareholders a model letter of representation, which includes the data of the representatives, the matters for which the shareholder delegates his vote, and if applicable, the direction of his vote for each of the proposals?</i>	x		For the 2020 Non-presential Mandatory Annual Shareholders Meeting, a <i>proxy statement</i> was made available to shareholders, which includes the development of each of the items on the agenda and a model of letter of representation which includes a space for the shareholder to enter the details of the person who will represent him/her at the Board, in addition to the agenda items and a space to mark the direction of the vote independently in each of them.

Indicate the requirements and formalities required for a shareholder to be represented at a Board:

Formality (indicate if the company requires a simple letter, notarized letter, public deed or others).	Power of attorney
Anticipation (number of days prior to the Board with which the proxy must be submitted).	1
Cost (indicate if there is a payment required by the company for these purposes and how much it amounts to).	None

Question II.11	Yes	No	Explanation:
<p><i>a. Does the company have a policy of establishing limitations on the percentage of proxy voting in favor of members of the Board or Senior Management?</i></p>	x		<p>Article 10 of Regulations of the Shareholders Meetings was amended to limit the percentage of proxy voting in favor of members of the Board or Senior Management. This article establishes that when the representation and delegation of votes is conferred to the Chairman of the Board, a director or the General Management of the Company, a number of shares representing 20% of the capital will be accepted as a maximum limit. The assignment of proxies will be made according to the date and time of receipt of the powers of attorney sent to the Company. In case it exceeds 20%, the corporation will establish a secondary representative to represent such votes, in case the same shareholder has not designated another person as such, in the manner to be specified in the representation form.</p> <p>For the Virtual Annual Mandatory Shareholders Meeting held in 2020, a paragraph citing the aforementioned limit was included in the power of attorney form sent to the shareholders. At the beginning of the meeting, it was noted that the maximum number of shares represented by a single proxy, including directors and the management, was 12.1%, below the established limit.</p>
<p><i>b. In cases of delegation of votes in favor of members of the Board or Senior Management, does the Company have a policy that shareholders who delegate their votes clearly state the sense of these votes?</i></p>	x		<p>This policy has been included in the Shareholders' Meeting Regulations. The policy is that all shareholders express their vote and not only those who give proxies to the Board and Senior Management.</p>

Principle 14: Monitoring of GSM agreements

Question II.12	Ye	No	Explanation:
<p><i>a. Does the company follow up on the agreements adopted by the GSM?</i></p>	x		<p>In fiscal year 2020, the Company followed up on the Important Fact published on July 30, which communicates the agreements of the Board: approval of the Financial Statements and Annual Report, payment of cash dividends, election of the Board for the period 2020-2023 and appointment of the external auditors.</p> <p>The company follows up on the resolutions both from the Board and from the General Management, Financial Management and Corporate Affairs Management.</p>

b. Does the corporation issue periodic reports to the Board and are they made available to the shareholders?	x	The management issues a report to the Board Nominating, Remuneration, Corporate Governance and Sustainability Committee on the progress of the resolutions adopted at the Shareholders Meeting and this report is made available to shareholders through the corporate website.
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If applicable, indicate the area and/or Person in Charge of following up on the agreements adopted by the GSM. In the case of a Person in Charge, also include his/her position and area in which he/she works.

Area responsible	General Management
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Person in Charge		
Full name	Position	Area
Mariela García Figari de Fabbri	General Manager	General Management

PILLAR III: Board of Directors and Senior Management

Principle 15: Composition of the Board

Question III.1	Ye	No	Explanation:
Is the Board made up of people with different specialties and competencies, with prestige, ethics, economic independence, sufficient availability and other qualities relevant for the society, so that there is a plurality of approaches and opinions?	x		<p>The Annual General Shareholders Meeting held on July 30, 2020 elected Ferreycorp's Board for the period 2020-2023.</p> <p>The Nominating, Remuneration, Corporate Governance and Sustainability Committee proposed to the Board a list of candidates, seeking a diverse Board that includes different profiles and allows for an appropriate presence of independent directors. It was verified that the selection considered candidates of good performance, experience and professional quality, as well as knowledge, skills and personal qualities.</p>

a) Indicate the following information corresponding to the members of the Board of the company during the fiscal year:

Full name	Professional training (¹)	Date		Shareholding interest (****)	
		Start (**)	End (***)	No. of shares	Interest (%)
Directors (excluding independent directors)					
Thiago de Orlando e Albuquerque	Engineer graduated from Universidade Federal do Rio de Janeiro and holds a master's degree in Business and Finance from Fundação Getulio Vargas. He also has a Chartered Financial Analyst (CFA) degree. He participated in programs at Harvard Kennedy School and Columbia Business School. He also participates in a Board of a company that belongs to the economic group.	07/30/2020			
Manuel Bustamante Olivares	Lawyer by profession, graduated from the School of Law of the Pontificia Universidad Católica del Perú. He also participates in 11 boards, one of which is of a company belonging to the economic group.	03/31/2011			
Mariela García Figari de Fabbri	Degree in Economics from Universidad del Pacífico and MBA from Universidad Adolfo Ibáñez in Chile and Incae in Costa Rica. She received a distinction from the latter as the 2016 Distinguished Graduate. She additionally participates in 20 boards, of which 14 are of companies belonging to the economic group.	07/30/2020			
Raúl Ortiz de Zevallos Ferrand	Lawyer by profession, graduated from the School of Law of the Pontificia Universidad Católica del Perú. He also participates in five boards, one of which is of a company belonging to the economic group.	07/30/2020			
Andreas von Wedemeyer Knigge	He is a business administrator, graduated in Hamburg, Germany, with studies at the Program for Management Development, Harvard Business School and the University of Piura. He also participates in 22 boards, one of which is of a company belonging to the economic group.	07/07/2003			

Independent directors					
Humberto Nadal del Carpio	Economist from Universidad del Pacífico, with a Master's degree in Business Administration from Georgetown University. Additionally, he participates in six boards, one of which is of a company belonging to the economic group.	03/29/2017			
Gustavo Noriega Bentín	Business Administrator from Universidad del Pacífico and MBA from IESE Business School of the University of Navarra, Spain. He also participates in a Board of a company that belongs to the economic group.	03/29/2017			
Javier Otero Nosiglia	Bachelor in Economics and Administration graduated from the University of Malaga, Spain. He also participates in a Board of a company that belongs to the economic group.	03/29/2017			
Alba San Martin Piaggio	Bachelor in Administrative Sciences from the University of Lima, Master in Business Administration (MBA) from the Universidad del Pacífico, Master in Corporate Social Responsibility and Environment from EUDE Business School (Madrid) and certified in the Specialization Program for Directors of the PAD/IESE School. She also participates in a Board of a company belonging to the economic group.	07/30/2020			

(*) Also detail if the director participates simultaneously in other boards, specifying the number and if they are part of the economic group of the reporting company. For this purpose, the definition of economic group contained in the Regulation on Indirect Regular membership, Links and Economic Groups should be considered.

(**) Corresponds to the first appointment in the reporting company.

(***) 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

% of total shares held by directors	0.36
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Indicate the number of directors of the company that are in each of the following age ranges:

Less than 35	Between 35 to a 55	Between 55 to 65	Greater to 65
0	3	2	4

- a. Indicate whether there are specific requirements to be appointed Chairman of the Board, in addition to those required to be appointed Director.

Yes No

If your answer is affirmative, please indicate these requirements.

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

Yes No

Question III.2	Yes	No	Explanation:
<i>Does the company avoid appointing alternate or substitute directors, especially for quorum reasons?</i>	x		

If there are alternate or substitute directors, specify the following:

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

(*) Corresponds to the first appointment as alternate or substitute director in the reporting company.

(**) Complete only if he/she left the position of alternate or substitute director during the fiscal year.

Principle 16: Functions of the Board

Question III.4	Ye	No	Explanation:
<i>The function of the Board is?</i>			
<i>a. To approve and direct the corporate strategy of the company.</i>	x		
<i>b. To establish objectives, goals and action plans, including annual budgets and business plans.</i>	x		
<i>c. To control and supervise the management and to be in Position of the governance and administration of the company.</i>	x		
<i>d. To oversee good corporate governance practices and establish the necessary policies and measures for their best application.</i>	x		

List any other relevant faculties vested in the Board of the Company.

- a). Call the General Shareholders Meeting.
- b). Establish regulations for its own operation.
- c). 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.
- d). Establish the Board Committees and appoint their members, among which independent directors must be included.
- e). Present annually to the shareholders, the Annual Report, the balance sheet and the profit and loss account, recommending the application to be made of the profits.
- f). Ensure the integrity of the financial statements and accounting systems and the existence of risk control systems.
- g). Accept the resignation of its members and fill vacancies in the cases provided by law and the Bylaws.
- h). Appoint and remove the general manager and, if deemed convenient or necessary, the other officers of the corporation, determining their duties and granting and revoking the powers with the attributions it deems convenient.
- i). Grant in general such proxies as it may deem advisable.
- j). Exercise the high supervision of all the business of the corporation, having the power to review the accounting books of the corporation and especially those of its subsidiaries.
- k). Agree on the distribution of provisional interim dividends of the results of the fiscal year, when such powers are delegated to him by the Board.
- l). Decide on all those commercial, financial and administrative matters that are convenient for the achievement of the corporate purposes without limitation as to the amount.
- m). Dispose and/or dispose of company assets whose book value at the time of disposal does not exceed 50% of the company's capital.

- n). Constitute guarantees in general, such as movable guarantees, mortgages, sureties, warrants, guarantees, among others, on real and personal property of the corporation, to guarantee the different operations of the corporation and its subsidiaries or affiliates, as well as to modify the terms of the guarantees granted and agree to the subscription by the corporation of the necessary documents for the constitution, modification and lifting of such guarantees.
- o). Supervise compliance with the policy established for the handling of confidential information, whether reserved or privileged, in accordance with the rules issued by the corporation and the regulatory entities and GSMies.
- p). Oversee compliance with the Company's Code of Ethics and approve its changes and modifications.
- q). Delegate to the directors and/or officers of the corporation the power to execute the resolutions adopted by the Board, being these expressly authorized to sign the public and private documents required in the exercise of such legal representation and to carry out the necessary steps and formalities to implement such resolutions;
- r). Carry out periodic evaluations of its own management.
- s). Exercise such other attributions as are expressly or tactically derived from the Bylaws.

b. Does the Board delegate any of its functions?

Yes No

Indicate, if applicable, which are the main functions of the Board that have been delegated, and the Body that exercises them by delegation:

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:
<i>Are the members of the Board entitled to?</i>			
<i>a. To request the Board the support or contribution of experts.</i>	x		
<i>b. To participate in induction programs about their powers and responsibilities and to be informed in a timely manner about the organizational structure of the corporation</i>	x		The Board for the period 2020-2023 was elected at the non-attendance GSM on July 30, 2020. On August 13, 2020, the members of the new Board received an induction session regarding the strategy, business plans, structure and results of the different companies of the organization, and were also given the main policies and rules of the corporation (Bylaws, Corporate Compliance Policy, Regulations of the General Shareholders Meeting and Board, Corporate Code to Safeguard Confidentiality, Transparency and Disclosure of Information to the Capital Markets and Director's Affidavit). Likewise, the operation of the Board's administration platform was explained to them and a guided tour of the main facilities of the subsidiary companies was organized.
<i>c. To receive remuneration for the work performed, which combines the recognition of professional experience and dedication to society with a criterion of rationality.</i>	x		

If specialized advisors were hired during the fiscal year, indicate whether the list of specialized advisors of the Board who have rendered services during the fiscal year for the company's decision making was made known to the shareholders.

NOT APPLICABLE

Yes No

If it is the case, specify if any of the specialized advisors had any relationship with any member of the Board and/or Senior Management (*).

NOT APPLICABLE

Yes No

(*) For the purposes of the linkage, the linkage criteria contained in the Indirect Regular membership, bonding and Economic Groups Regulations will be applied.

- a. If it is the case, indicate if the company carried out induction programs for new members that joined the company.

NOT APPLICABLE

Yes No

b. Indicate the percentage that the total amount of the Directors' annual remuneration and bonuses represents with respect to gross income, according to the Company's Financial Statements.

Revenues	(%) Gross Income Tax	Bonus	(%) Gross income tax
Directors (excluding independent directors)	0.04%	Delivery of shares	
Independent directors	0.03%	Delivery of options	
		Delivery of cash	
		Other (detail)	

Principle 18: Board Regulations

Question III.6	Yes	No	Explanation:
<i>Does the company have a Regulation of the Board, which is binding and its non-compliance entails liability?</i>	x		

Indicate whether the Regulations of the Board contain:

	Yes	No
Policies and procedures for its operation	x	
Organizational structure of the Board	x	
Functions and responsibilities of the Chairman of the Board	x	
Procedures for the identification, evaluation and nomination of candidates to the members of the Board, who are proposed to the GSM.	x	
Procedures in the event of vacancy, removal and succession of Directors	x	
Other / Detail		

Principle 19: Independent directors

Question III.7	Yes	No	Explanation:
<i>Is at least one third of the Board made up of independent directors?</i>	x		

In addition to those established in the "Guidelines for the Qualification of Independent Directors", the Company has established the following criteria to qualify its Directors as independent:

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Question III.8	Yes	No	Explanation:
<i>a. Does the Board declare that the candidate it proposes is independent on the basis of the inquiries it makes and the candidate's statement?</i>	x		For the most recent election of the Board at July 2020 Virtual Annual Shareholders Meeting, the resumes of the candidates for the Board were published on the <i>Proxy Statement</i> . A format has been developed for the director to provide information to determine his or her independent status. The members of the Board update this format annually in a director's affidavit.
<i>b. Do the independent director nominees declare their independent status to the company, its shareholders and directors?</i>	x		For the July 2020 Board election, the directors signed a Code of Conduct which included such a declaration that includes criteria to determine their independent status. Such affidavit was updated during 2019 to include the new guidelines published by the SMV to qualify as an independent director.

Indicate whether at least once a year the Board verifies that the Independent Directors maintain compliance with the requirements and conditions to be qualified as such.

Yes No

Principle 20: Board's operability

Question III.9	Yes	No	Explanation:
<i>Does the Board have a work plan that contributes to the efficiency of its functions?</i>	x		

Question III.10	Yes	No	Explanation:
<i>Does the company provide its Directors with the necessary channels and procedures so that they can participate effectively in the Board meetings, including in a non-attendance manner?</i>	x		

a. Indicate the following in relation to the sessions of the Board during the fiscal year, as follows:

Number of sessions held.	16
Number of meetings at which no announcement has been given (*).	0
Number of meetings not attended by the Chairman of the Board.	0
Number of meetings at which one or more directors were represented by alternate or substitute directors.	0
Number of regular directors who were represented at least once.	0

(*) In this field, the number of sessions held pursuant to the last paragraph of Article 167 of the LGS must be reported.

b. Indicate the percentage of attendance of directors at Board meetings during the fiscal year.

Name	% of attendance
Thiago de Orlando e Albuquerque	100%
Manuel Bustamante Olivares	100%
Mariela García Figari de Fabbri	100%
Humberto Nadal del Carpio	100%
Gustavo Noriega Bentín	100%
Raúl Ortiz de Zevallos Ferrand	100%
Javier Otero Nosiglia	100%
Alba San Martin Piaggio	100%
Andreas von Wedemeyer Knigge	100%

c. Indicate how far in advance of the Board meeting all information regarding the matters to be discussed at the meeting is made available to the directors.

	Less than 3 days	3 to 5 days	More than 5 days
Non-confidential information			x
Confidential information			x

Question III.11	Yes	No	Explanation:
a. Does the Board evaluate, at least once a year, in an objective manner, its performance as a collegiate Body and that of its members?	X		
b. Does the self-assessment methodology alternate with the assessment performed by external advisors?	X		For the performance evaluation of the Board for the 2018 fiscal year, the services of an external consultant were hired. The evaluation of the Board by external advisors is carried out every two years; the evaluation will be carried out again in 2021 for the 2020 fiscal year.

- a. Indicate whether performance evaluations of the Board have been carried out during the fiscal year.

	Yes	No
As a collegiate Body	x	
To its members...	x	

If the answer to the previous Question in any of the fields is affirmative, please indicate the following information for each evaluation:

Assessment	Self-assessment		External assessment		
	Date	Announcement (*)	Date	Entity responsible	Announcement (*)
	29/01/2021	No	19/11/2019	PCR	No

(*) Indicate Yes or No, if the evaluation was made known to the shareholders.

Principle 21: Special Committees

Question III.12	Yes	No	Explanation:
a. Does the company's Board form special committees that focus on the analysis of those aspects most relevant to the company's performance?	X		
b. Does the Board approve the regulations governing each of the special committees it forms?	X		
c. Do independent directors chair the special committees?	x		Independent directors chair three of the four special committees. These are: Nominating, Remuneration, Corporate Governance and Sustainability Committee; Audit and Risk Committee; and Innovation and Systems Committee.
d. Do the special committees have an assigned budget?		x	

Question III.13	Yes	No	Explanation:
<i>Does the company have an Appointments and Remuneration Committee that is responsible for nominating candidates for members of the Board, who are proposed to the GSM by the Board, as well as for approving the remuneration and incentive system for Senior Management?</i>	x		The Nominating, Remuneration, Corporate Governance and Sustainability Committee's duties include receiving and processing director nominations, as well as suggesting the compensation policy.

Question III.14	Yes	No	Explanation:
<i>Does the company have an Audit Committee that supervises the effectiveness and adequacy of the company's internal and external control system, the work of the audit company or independent auditor, as well as compliance with legal and professional independence standards?</i>	x		The Audit Committee meets with the internal and external auditors.

- a. Specify whether the company also has the following special committees:

	Yes	No
Risk Committee	x	
Corporate Governance Committee	x	

- b. If the company has special committees, indicate the following information regarding each committee:

Name of the committee:	Nominating, Remuneration, Corporate Governance and Sustainability Committee
Date of creation:	01/26/2005
Main functions:	<p>a). To review progress in organizational development programs through reports on the administrative structure and human resources programs.</p> <p>b). To review the reports submitted by Management on recruitment and selection programs, performance management, salary policy, as well as training and development programs, among others, and make recommendations as appropriate, taking into consideration information available on practices in the business environment.</p> <p>c). To review the reports on the hiring of principal executives, the salary scale for management and executive positions, and on the supervision of their performance by the General Management.</p> <p>d). To ensure the effectiveness of the governance practices in accordance with which it operates, proposing or approving</p>

	<p>improvements in the company's governance practices.</p> <p>e). To review the self-assessment of the Principles of Good Corporate Governance presented in the Annual Corporate Governance Report.</p> <p>f). To approve the information policy through the Internal Code of Conduct and to decide, when necessary, on the qualification of certain facts as Material Facts and Privileged and Reserved Information.</p> <p>g). To identify possible sources of conflicts of interest between the management, directors and shareholders, as well as supervise their follow-up by Management.</p> <p>h). To receive and process director nominations.</p> <p>i). To suggest the remuneration policy of the Board and procedures for the same.</p> <p>j). To approve the social responsibility and environmental strategy and supervise its execution.</p> <p>k). To approve the allocation of resources where necessary.</p>		
Committee members (*):	Date		Position within the committee
Full name	Start (**)	End (***)	
Humberto Nadal del Carpio	04/26/ 2017		Chairman
Manuel Bustamante Olivares	08/06/ 2020		Regular member
Thiago de Orlando e Albuquerque	08/06/ 2020		Regular member
Andreas von Wedemeyer Knigge	04/26/ 2017		Regular member
Mariela García Figari de Fabbri	08/06/ 2020		Regular member
Alba San Martin Piaggio	08/06/2020		Regular member
% Independent directors with respect to the total number of the Committee			33%
Number of sessions carried out during the exercise:			3
It has delegated powers in accordance with article 174 of the General Corporations Law:	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/>
The committee or its chairman participates in the GSM.	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/>

Name of the committee:	Audit and Risk Committee		
Date of creation:	01/26/2005		
Main functions:	<p>a). To propose the appointment of external auditors in coordination with Management. To know the work plan of the external auditor and hold periodic meetings to know the progress of its work, as well as the recommendations issued at the end of its review, in order to ensure the integrity of the accounting systems through an appropriate external audit.</p> <p>b). Periodically review and analyze the company's financial statements as well as the external audit reports.</p> <p>c). To know the internal auditor's annual work plan and receive quarterly reports on its progress and the implementation of corrective and improvements.</p>		
Committee members (*):	Date		Position within the committee
Full name	Start (**)	End (***)	
Javier Otero Nosiglia	04/26/2017		Chairman
Raúl Ortiz de Zavallos Ferrand	08/06/2020		Regular member
Mariela García Figari de Fabbri	08/06/2020		Regular member
Andreas von Wedemeyer K.	01/26/2005		Regular member
Gustavo Noriega Bentín	04/26/2017		Regular member
% Independent directors with respect to the total number of the Committee	40%		
Number of sessions carried out during the exercise:	4		
It has delegated powers in accordance with article 174 of the General Corporations Law:	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/>
The committee or its chairman participates in the GSM.	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/>

The following committee has been created and has been in session since 2015:

Name of the committee:	Innovation and Systems Committee		
Date of the committee	08/27/2014		
Main functions:	<p>a). to contribute to the formulation and strengthening of the company's innovation strategy, aligned with its long-term development.</p> <p>b). To provide support from the Board to the formulation of innovation processes of the corporation and the allocation of the necessary resources.</p> <p>c). To support actions aimed at mitigating technological and information security risks. In particular, it has the following attributions:</p> <p>a). To review Management reports on the innovation and information technology strategy of the corporation and its subsidiaries, which must show a clear alignment with business objectives and competitiveness improvement.</p> <p>b). To receive reports from Management on the implementation of the innovation plan in the different areas of the business and the portfolio of technological projects.</p> <p>c). To recommend to the Board the allocation of resources and actions required for the successful implementation of the innovation plan and the portfolio of technological projects.</p> <p>d). To advise the Board in the Compliance of its responsibilities corresponding to technological issues by submitting reports with the analysis and review of the technological and information security risks, as well as the actions to mitigate them.</p>		
Members of the committee (*):	Date		
Full name	Start (**)	End (***)	Position within the committee
Gustavo Noriega Bentín	04/26/2017		Chairman
Raúl Ortiz de Zavallos Ferrand	08/06/2020		Regular member
Mariela García Figari de Fabbri	08/06/2020		Regular member
Humberto Nadal del Carpio	04/26/2017		Regular member
Andreas von Wedemeyer K.	08/06/2020		Regular member
Alba San Martin Piaggio	08/06/2020		Regular member
% Independent directors with respect to the total number of the Committee	50%		
Number of sessions carried out during the exercise:	5		

It has delegated powers in accordance with article 174 of the General Corporations Law:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
The committee or its chairman participates in the GSM.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Name of the committee:	Investment Committee		
Date of the committee	27/03/2019		
Main functions:	<p>a). The review of the portfolio and new business ideas and the validation of the alignment between these initiatives and the corporation's growth strategy,</p> <p>b). To oversee financing strategies for new investments</p> <p>c). Allocating relevant or unbudgeted resources for new business portfolio evaluation and analysis,</p> <p>d). To contribute with management in the detection and analysis of new business and acquisitions.</p> <p>e). The analysis of the return on investment in the years following acquisitions or implementation of new businesses.</p> <p>f). To propose divestitures to the Board due to lack of alignment with the strategy, failure to offer the expected growth and profitability, or other reasons that may be determined by the committee.</p> <p>g). To recommend the communication strategy on investments made, to be made or to be divested.</p>		
Members of the Committee (*):	Date		Position within the committee
Full name	Start (**)	End (***)	
Manuel Bustamante Olivares	26/11/2019		Chairman
Thiago de Orlando e Albuquerque	06/08/2020		Regular member
Andreas von Wedemeyer K.	26/11/2019		Regular member
Humberto Nadal del Carpio	26/11/2019		Regular member
Javier Otero Nosiglia	26/11/2019		Regular member
Mariela García Figari de Fabbri	06/08/2020		Regular member
% Independent directors with respect to the total number of the Committee	33%		
Number of sessions carried out during the exercise:	2		
It has delegated powers in accordance with article 174 of the General Corporations Law:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
The committee or its chairman participates in the GSM.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	

(*) Provide information on the persons who are or were members of the committee during the fiscal year being reported.

(**) Corresponds to the first appointment as a committee member in the reporting company.

(***) Complete only if you have ceased to be a member of the committee during the fiscal year.

Principle 22: Code of Ethics and Conflicts of Interest

Question III.15	Yes	No	Explanation:
<p><i>Does the company adopt measures to prevent, detect, manage and disclose conflicts of interest that may arise?</i></p>	x		<p>Detailed in the conflict of interest chapter of the Code of Ethics.</p> <p>In addition, there is a Corporate Code on Conflicts of Interest that applies to both directors and employees in their business relationships, within or outside the performance of their duties with customers, suppliers, shareholders, stakeholders, and third parties.</p>

Indicate, if applicable, which area and/or person is responsible for the follow-up and control of possible conflicts of interest. If a person is in Position, also include his/her position and the area in which he/she works.

Responsible area	Corporate Affairs Management
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Person in Charge		
Full name	Position	Area
Eduardo Ramírez del Villar	Corporate Affairs Manager - Ethics Officer - Compliance Officer	Corporate Affairs

Question III.16 / Compliance	Yes	No	Explanation:
<p><i>a. Does the company have a Code of Ethics (*) with which its directors, managers, officers and other collaborators (**) of the company are required to comply, which includes ethical criteria and professional responsibility, including the handling of potential cases of conflicts of interest?</i></p>	x		<p>The company has a code of ethics published and communicated to all employees of the company, on the Intranet, corporate website and is part of the induction process for new employees. The Code of Ethics is enforceable for directors, managers, employees and collaborators.</p>
<p><i>b. Does the Board or the General Management approve training programs for compliance with the Code of Ethics?</i></p>	x		<p>The General Management approved the publication of the Code of Ethics on the corporate Intranet so that it is available to all employees of the corporation. In addition, it is included as a topic to be addressed in the induction of new employees.</p> <p>In 2020, the annual on-line training course was held on the different topics related to the compliance system, covering the Code of Ethics, the corporate compliance policy and its complementary rules, among others. This course was aimed at all employees of the corporation, in order to make them aware of its content and practical application in their daily work. At the same time, the Ethics and Compliance Officer explained to the employees the</p>

		importance of the culture of integrity, the zero tolerance policy for acts of corruption and the new Compliance System documents, while promoting the Whistleblower Channel.
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(*) The Code of Ethics may form part of the Internal Standards of Conduct.

(**) The term "employees" includes all persons who have any type of employment relationship with the company, independently of the regime or type of employment.

If the company has a Code of Ethics, indicate the following:

It is available to:

	Yes	No
Shareholders	x	
Other persons to whom it is applicable	x	
From the general public	x	

- a. Indicate the area and/or person responsible for monitoring and compliance with the Code of Ethics. In the case of a Person in Charge, also include his/her position, the area in which he/she works, and to whom he/she reports.

Responsible area	Corporate Affairs Management
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Person in Charge			
Full name	Position	Area	Person to whom it reports
Eduardo Ramírez del Villar	Corporate Affairs Manager - Compliance Officer - Ethics Officer	Corporate Affairs	General Management

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

Yes No

- c. Indicate the number of non-compliances with the provisions established in said Code, detected or reported during the fiscal year.

Number of defaults	8
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Question III.17	Yes	No	Explanation:
a. Does the company have mechanisms that allow for the reporting of any illegal or unethical behavior, guaranteeing the confidentiality of the claimant?	x		The corporation has designated an officer in Position of enforcing the Code, who is called the Ethics Officer and to whom the director, the employee or any third party in general should report as soon as possible any event, situation or inappropriate conduct or conduct contrary to the provisions of the Code. The ethics channel has several access channels such as e-mail, dedicated telephone number, intranet and physical mailbox
b. Are complaints presented directly to the Audit Committee when they are related to accounting issues or when the General Management or the Financial Management are involved?	x		The Code of Ethics establishes that complaints regarding accounting matters, the General Management or a director must be submitted directly to the Audit Committee of the Board or to the Board itself.

Question III.18	Ye	No	Explanation:
a. Is the Board of Directors responsible for monitoring and controlling possible conflicts of interest that may arise in the Board?	x		
b. If the company is not a financial institution, does it have an established policy that the members of the Board are prohibited from receiving loans from the company or any company of its economic group, unless they have the prior authorization of the Board?	x		The article 10 of the Board Regulations refers to the remuneration of the Board and states that during the term of office, payments on account of the remuneration may be agreed upon. In the event the payments on account exceed the amount of the annual per diem or are granted for a term that exceeds the next payment of the Board per diem, they will become a loan, for which the Nominations and Remuneration Committee must authorize it.
c. If the company is not a financial institution, does it have an established policy that members of Senior Management are prohibited from receiving loans from the company or any company of its economic group, unless they have prior authorization from the Board?	x		The Board has approved a policy delegating to its Chairman and General Manager the approval of loans for Senior Management.

- a. Indicate the following information on the members of Senior Management who are shareholders in a percentage equal to or greater than 5% of the company.

NOT APPLICABLE

Full name	Position	Number of shares	% of total shares
No member of senior management owns 5% or more of the shares.			

% of total shares held by senior management	
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- b. Indicate whether any of the members of the Board or Senior Management of the company is the spouse, relative in the first or second degree of consanguinity, or relative in the first degree of affinity of:

NOT APPLICABLE

Full name	Linkage with:			Full name of the shareholder / Director / Manager	Type of relationship (**)	Additional information (***)
	Shareholder (*)	Director	Senior Management			
No member of the Board or senior management meets this condition.						

(*) Shareholders with an interest equal to or greater than 5% of the capital stock.

(**) For the purposes of the linkage, the linkage criteria contained in the Indirect Regular membership, Linkage and Economic Groups Regulations will be applied.

(***) If there is a relationship with a shareholder, include his shareholding. In the case of a relationship with a member of the management, include his/her position.

In the event that any member of the Board holds or has held during the fiscal year covered by this report any management position in the company, indicate the following information:

Full name	Managerial position held or has held	Date in management position	
		Start (*)	End (**)
Mariela García Figari de Fabbri	General Manager	03/26/2008	

(*) Corresponds to the first appointment in the reporting company in the management position.

(**) To be completed only in the event that he/she has ceased to hold the managerial position during the fiscal year.

- c. In the event that any member of the Board or Senior Management of the company has maintained during the fiscal year, any commercial or contractual relationship with the company, which have been important due to their amount or subject matter, indicate the following information.

NOT APPLICABLE

Full name	Type of linkage	Brief description

No member of the Board or Senior Management meets this condition.		
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Principle 23: Operation with parties

Question III.19	Yes	No	Explanation:
a. Does the Board have policies and procedures for the evaluation, approval and disclosure of certain transactions between the company and related parties, as well as to know the commercial or personal relationships, direct or indirect, that the directors maintain among themselves, with the company, with their suppliers or customers, and other stakeholders?	x		<p>Ferreycorp has policies and procedures at Board level for the assessment, approval and disclosure of certain transactions between the company and related parties, as well as to know the commercial or personal relationships, direct or indirect, that directors maintain among themselves, with the company, with their suppliers or customers, and other stakeholders.</p> <p>1. There is a formal definition of related parties in the company.</p> <p>2. Related party transactions have been identified and disclosed in accordance with this definition during the year of validation. In 2018, the Corporate Code on Transfer Pricing between related companies of Ferreycorp was updated.</p>
b. In the case of transactions of special relevance or complexity, is the intervention of independent external advisors contemplated for their valuation?	x		

- a. If complying with literal a) of Question III.19, indicate the area(s) of the company in Position of the treatment of transactions with related parties in the following aspects:

Aspects	Área encargada
Valuation	Transfer Pricing Report by external advisor in coordination with Corporate Finance Management
Approval	General Management of Ferreycorp
Disclosure	Board

- a. Indicate the procedures for approving transactions between related parties:

There are prices at market value and transfer price reports between the company and its subsidiaries.

- b. List those transactions carried out between the company and its related parties during the fiscal year that have been significant due to their amount or subject matter.

Name or company name of related party	Nature of the relationship (*)	Type of operation	Amount (S/.)
Ferreyros S.A.	Subsidiary, 99.99%	Renting of premises	27,542,427

Fargoline S.A.	Subsidiary, 99.99%	Renting of premises	2,879,808
Equipos y Servicios Trex	Subsidiary, 100.00%	Interest on loans extended	2,812,278
Ferreyros S.A.	Subsidiary, 99.99%	Business support	2,345,712
Ferreyros S.A.	Subsidiary, 99.99%	RePositionable expenses	2,309,279
Soltrak S.A.	Subsidiary, 99.99%	Renting of premises	1,378,490
Maquicentro S.A.	Subsidiary, 99.00%	Interest on loans extended	1,302,024
Ferreyros S.A.	Subsidiary, 99.99%	TPI Services	1,296,140
Motored S.A.	Subsidiary, 99.99%	Interest on loans extended	1,109,774.78
Ferreyros S.A.	Subsidiary, 99.99%	Business support	1,012,640.95
Equipos y Servicios Trex	Subsidiary, 100.00%	RePositionable expenses	850,603
Soltrak S.A.	Subsidiary, 99.99%	Interest on loans extended	732,914
Ferreyros S.A.	Subsidiary, 99.99%	TPI Services	616,098
Unimaq S.A.	Subsidiary, 99.99%	RePositionable expenses	554,833
Fargoline S.A.	Subsidiary, 99.91%	Interest on loans extended	523,038
Motriza S.A.	Subsidiary, 99.00%	Interest on loans extended	506,920

(*) For the purposes of the linkage, the linkage criteria contained in the Indirect Regular membership, Linkage and Economic Groups Regulations will be applied.

c. Specify whether the company sets limits for transactions with related parties:

Yes No

Principle 24: Functions of Senior Management

Question III.20 / Compliance	Yes	No	Explanation:
a. Does the company have a clear policy of delimitation of functions between the administration or governance exercised by the Board, the ordinary management in Position of Senior Management and the leadership of the General Manager?	x		
b. Are the appointments of the General Manager and Chairman of the Board of the Company made by different persons?	x		
c. Does Senior Management have sufficient autonomy to perform its assigned functions within the framework of policies and guidelines defined by the Board and under its control?	x		
d. Is the General Management responsible for complying with and enforcing the policy of providing information to the Board and its directors?	x		
e. Does the Board annually evaluate the performance of the General Management based on well-defined standards?	x		
f. Does the remuneration of Senior Management have a fixed and a variable component, which takes into consideration the results of the company, based on a prudent and responsible assumption of risks, and the Compliance of the goals outlined in the respective plans?	x		

- a. Indicate the following information regarding the compensation received by the general manager and management (including bonuses).

Position	Compensation (*)	
	Fixed	Variable
General manager and management team	0.38%	0.13%

(*) Indicate the percentage that represents the total amount of annual remuneration of the members of Senior Management, with respect to the level of gross income, according to the company's Financial Statements.

- b. In the event that the company pays bonuses or indemnities other than those determined by law, to Senior Management, indicate the form(s) in which they are paid.

	General Management	Manager
Delivery of shares	No	No
Delivery of shares	No	No

Delivery of cash	Yes	Yes
Other / Detail		

- c. If there is a variable component in the compensation, specify which are the main aspects taken into account for its determination.

The variable component is determined first based on the company's results and then considering the employee's performance. Aspects such as Compliance of objectives, impact on value generation, contribution to continuous improvement and processes, as well as leadership, interpersonal relations and communication skills are taken into account.

- d. Indicate whether the Board evaluated the performance of the General Management during the fiscal year.

Yes No

PILLAR IV: Risk and Compliance

Principle 25: Risk management system framework

Question IV.1	Yes	No	Explanation:
<i>a. Does the Board approve a comprehensive risk management policy in accordance with its size and complexity, promoting a risk management culture within the company, from the Board and Senior Management to the own employees?</i>	x		Yes, this policy establishes the framework for comprehensive risk management and ensures its application in Ferreycorp and all its Subsidiaries. It is reviewed every two years or whenever it is deemed necessary to update it, according to risk management guidelines, standards and best practices.
<i>b. Does the integrated risk management policy cover all the companies in the group and provide an overall view of critical risks?</i>	x		The risk policy is corporate and applies to all the companies of the corporation.

Does the company have a risk management delegation policy that establishes the risk limits that can be managed by each level of the company?

Yes No

Question IV.2	Yes	No	Explanation:
<i>a. Does the General Management manage the risks to which the company is exposed and bring them to the knowledge of the Board?</i>	x		Yes, through the Audit and Risk Committee of the Board.
<i>b. Is the General Management responsible for the risk management system, if there is no Risk Committee or Risk Management?</i>	x		The Corporate Finance Management is responsible for risk monitoring and management, for which a risk executive has been appointed to monitor and present to the Audit and Risk Committee of the Board, which has approved the comprehensive risk policy and monitors the main risks in relation to the business objectives. In addition, the Internal Audit Management has established a control system. Both systems are presented to the Board either in full or through its Audit and Risk Committee.

Does the company have a risk manager?

Yes No

In case your answer is affirmative, please indicate the following:

Full name	Date of office		Area / body to which it reports
	Start (*)	End (**)	
Elizabeth Guardamino	01/06/2017		The Risk Executive, who reports to the Corporate Finance Management and the Risk Committee, monitors corporate risks.

(*) Corresponds to the first appointment in the reporting company.

(**) To be completed only if the position was terminated during the fiscal year.

Question IV.3	Yes	No	Explanation:
<i>Does the company have an internal and external control system, whose effectiveness and adequacy is supervised by the Company's Board?</i>	X		

Principle 26: Internal audit

Question IV.4	Yes	No	Explanation:
<i>a. Does the internal auditor perform audit work exclusively; have autonomy, experience and expertise in the matters under evaluation, and independence for monitoring and evaluating the effectiveness of the risk management system?</i>	x		
<i>b. Are the internal auditor's functions the permanent evaluation that all financial information generated or recorded by the company is valid and reliable, as well as verifying the effectiveness of regulatory compliance?</i>	x		Internal Audit at Ferreycorp: An independent area of the corporation that continuously analyzes, evaluates and controls the policies, procedures, practices and activities that constitute the corporation's internal control system.
<i>c. Does the internal auditor report directly to the Audit Committee on its plans, budget, activities, progress, results obtained and actions taken?</i>	x		

a. Indicate if the company has an independent area in Position of internal auditing.

Yes No

If the answer to the previous question is affirmative, within the organizational structure of the company, indicate, hierarchically, to whom the audit depends on.

Depends on:	The internal auditor reports to the Chairman of the Board and makes periodic presentations to the Audit Committee of the Board.
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a. Indicate whether the company has a corporate internal auditor.

Yes No

Indicate the main responsibilities of the internal audit manager and whether he/she performs other functions outside internal audit.

i) Manages and directs internal audits and audits of information systems at the main office, branches, mining projects and Subsidiaries. ii) Evaluates the internal control system on money laundering and asset laundering in accordance with current regulations of the financial intelligence unit of the SBS, submitting the final report to the compliance officer. iii) Periodically informs senior management and the Management Committee of the results of the internal audit activities. iv) Takes into account the reviews carried out by the external auditors to develop the work program. v) Issues a report for each of the audits carried out, containing the control observations detected and the suggestions agreed upon with the audited area that are necessary to correct the deficiencies; among other things.

Question IV.5	Yes	No	Explanation:
<i>Is the appointment and removal of the internal auditor the responsibility of the Board upon proposal of the Audit Committee?</i>	x		The article 14 of the Internal Regulations of the Board and Board Committees states that the Board is empowered to appoint, evaluate and remove the internal auditor, as recommended by the Audit Committee. Likewise, Article 23 of the same regulation states that one of the functions of the Audit and Risk Committee is to propose the Board the internal auditor when a change is to be made.

Principle 27: External audits

Question IV.6	Yes	No	Explanation:
<i>Does the GSM, at the proposal of the Board, appoint the auditing firm or the independent auditor, which maintain a clear independence from the company?</i>	x		The Board, aware of the recommendation made by the new formulation of the Principles of Good Corporate Governance to Peruvian companies, proposes that the Board appoint the auditing firm for the fiscal year and delegate to the Board the negotiation and approval of the contracting conditions.

a. Does the company have a policy for the appointment of the external auditor?

Yes No

b. In the event that the auditing firm has performed services other than the auditing of accounts, indicate whether such engagement was reported to the GSM, including the percentage of invoicing that such services represent of the total invoicing of the auditing firm to the company.

Yes No

c. Do persons or entities related to the audit firm provide services to the company other than the auditing of accounts?

Yes No

In case the answer to the previous question is affirmative, indicate the following information regarding additional services rendered by persons or entities related to the auditing firm during the fiscal year reported.

Name or corporate name	Additional Services	% of compensation (*)
Gaveglio, Aparicio y Asociados sociedad Civil de Responsabilidad Limitada, firma miembro de PricewaterhouseCoopers (PWC)	Adoption of new IFRS	3.0%
	Review under the scope of Standard XVI (anti-avoidance)	1.8%

(*) Billing of additional services over the billing of audit services.

d. Indicate whether the audit firm has used different equipment, if it has provided additional services to the audit of accounts.

Yes No

Question IV.7

	Yes	No	Explanation:
a. Does the company maintain a policy of renewing its independent auditor or audit firm?	x		The Company's policy is that the same auditing firm may audit the Company's financial statements for five consecutive years, and may be appointed for an additional period if the services rendered have been satisfactory and in adequate economic terms, requiring a more exhaustive evaluation by the Audit Committee of the Board and the Board as a whole. The partner, the auditor responsible for the work and the members of its external audit team shall rotate periodically. The General Shareholders Meeting appoints the hiring of the audit firm.
b. In case such policy establishes longer terms for the renewal of the audit firm, does the audit firm's work team rotate at most every five (5) years?	x		In line with the policy on the renewal of the external auditors, the Virtual Mandatory Annual Shareholders Meeting held on July 2020 proceeded to approve the hiring of Gaveglio, Aparicio y Asociados Sociedad Civil de Responsabilidad Limitada, a member firm of PricewaterhouseCoopers (PWC) for the audit of the Financial Statements for fiscal year 2020. This firm has audited the Financial Statements for fiscal years 2016 to 2020.

Indicate the following information on the auditing firms that have provided services to the company in the last five (5) years.

Company name of the auditing company	Service	Period	Remuneration (US\$)
Gaveglio, Aparicio y Asociados sociedad Civil de Responsabilidad Limitada, firma miembro de PricewaterhouseCoopers (PwC)	Audit of financial statements	2020	92.77%
	Adoption of new IFRS Revision under the scope of Rule XVI (anti-elusiveness)	2020	
	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 Revision of affidavits to income tax Adoption of new IFRS Advice to Subsidiary	2018	
	Audit of financial statements	2017	60%
	Transfer pricing studies Review of affidavits of income tax IFRS adoption diagnosis	2017	
	Audit of financial statements	2016	68.87%
	Transfer pricing studies Reviewing of affidavits of income tax	2016	
	Deloitte & Touche S.R.L.	Tax advisory	2016

(*) Include all types of services, such as financial reporting opinions, expert accounting opinions, operational audits, systems audits, tax audits or other services.

(**) Of the total amount paid to the auditing firm for all concepts, indicate the percentage that corresponds to remuneration for financial auditing services.

Question IV.8

	Yes	No	Explanation:
<i>In the case of economic groups, is the external auditor the same for the whole group, including off-shore subsidiaries?</i>	x		

Indicate whether the auditing firm hired to audit the financial statements of the company for the fiscal year covered by this report also audited the financial statements for the same fiscal year for other companies in its economic group.

Yes

No

In case your answer above is affirmative, please indicate the following:

Name or corporate name of the company (ies) of the economic group
Ferreyros S.A. Orvisa S.A. and its Subsidiaries Unimaq S.A. Motored S.A. Fargoline S.A. Forbis Logistics S.A. Soltrak S.A. Inti Inversiones Interamericanas Corp. And its Subsidiaries Trex Latinoamérica and its Subsidiaries Motriza S.A. Ferrenergy S.A.C.

PILLAR V: Information Transparency

Principle 28: Information policy

Question V.1	Ye	No	Explanation:
<i>Does the company have an information policy for shareholders, investors, other stakeholders and the market in general, which defines in a formal, orderly and comprehensive manner the guidelines, standards and criteria to be applied in the handling, compilation, preparation, classification, organization and/or distribution of the information generated or received by the company?</i>	x		

a. If so, indicate whether, according to its information policy, the company disseminates the following:

	Yes	No
Objectives of the Company	x	
List of members of the Board and Senior Management	x	
Shareholding structure	x	
Description of the economic group to which it belongs	x	
Financial Statements and Annual Report	x	
Other / Detail		

b. Does the company have a corporate website?

Yes No

The corporate website includes:

	Yes	No
A special section on corporate governance or shareholder and investor relations that includes a Corporate Governance Report	x	
Important Facts	x	
Financial information	x	
Bylaws	x	
GSM Regulations and information on Boards (attendance, minutes, other)	x	
Composition of the Board and its Regulations	x	
Code of Ethics	x	
Risk policy	x	
Corporate Social Responsibility (community, environment, other)	x	
Other / Detail		

Question V.2	Ye s	No	Explanation:
<i>Does the company have an office for investor relations?</i>	x		

In case you have an office for investor relations, please indicate who is responsible for it.

Person in charge of investors' relationships office	Elizabeth Tamayo
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If there is no office for investor relations, indicate the unit (department/area) or Person in Charge of receiving and processing requests for information from the company's shareholders and the general public. If it is a person, also include his/her position and area in which he/she works.

Area in charge	
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Person in Charge		
Full name	Position	Area

Principle 29: Financial Statements and Annual Report

In case there are qualifications in the external auditor's report, have such qualifications been explained and/or justified to the shareholders?

NOT APPLICABLE, NO QUALIFICATIONS

Yes No

Principle 30: Share structure information and agreements between shareholders

Question V.3	Yes	No	Explanation:
Does the company disclose the Regular membership structure, considering the different classes of shares and, if applicable, the joint participation of a given economic group?	x		Ferreycorp has only one type of share, which is the common share, and reports the structure in accordance with current regulations, individually identifying those who have 4% or more.

Indicate the composition of the corporation's share structure at the end of the fiscal year.

Ownership of shares with right to vote	Number of owners (at fiscal year close)	% of participation
Less than 1%.	3,278	31.94%
Between 1% and 5%.	18	44.91%
Between 5% and 10%	4	23.14%
Greater than 10%.	0	0%
Total	3,300	100%

Ownership of shares with right to vote	Number of owners (at fiscal year close)	% of participation
Less than 1%.		
Between 1% and 5%.		
Between 5% and 10%		
Greater than 10%.		
Total		

Ownership of shares with right to vote	Number of owners (at fiscal year close)	% of participation
Less than 1%.		
Between 1% and 5%.		
Between 5% and 10%		
Greater than 10%.		
Total		

Percentage of shares in portfolio over capital stock:

1.83%

Question V.4	Yes	No	Explanation:
Does the company report on agreements or pacts between shareholders?			There have been no agreements or covenants between shareholders.

a. Does the company have any agreements in force between shareholders?

Yes No

b. If any pact or agreement has been made between the shareholders that has been reported to the company during the fiscal year, indicate the matters dealt with by each one of them.

Election of members of the Board.	
Exercise of voting rights at meetings.	
Restriction of the free transferability of shares.	
Changes in the company's internal rules or bylaws.	
Other /Detail	

Principle 31: Corporate governance report

Question V.5	Yes	No	Explanation:
<i>Does the company disclose the standards adopted in the area of corporate governance in an annual report, the content of which is the responsibility of the Board, following a report from the Audit Committee, the Corporate Governance Committee, or an external consultant, as the case may be?</i>	x		The company discloses the standards adopted in the area of corporate governance in the Annual Report.

a. The company has mechanisms for the internal and external dissemination of corporate governance practices.

Yes No

If the answer to the previous question is affirmative, please specify the mechanisms used.

The company disseminates corporate governance practices through its website; through the Intranet; in its rules and procedures; in the Annual Report; in events and presentations to investors; and through its participation in competitions.
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SECTION C:

Corporation Document's Contents

Indicate in which of the following corporate document(s) the following topics are regulated:

		Principle	Bylaws	Internal Regulations (*)	Manual	Other	Not regulated	Not applicable	Name of the document
1.	Policy for redemption or exchange of shares without voting rights	1						X	
2.	Method of registration of share Regular membership rights and person responsible for registration.	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 for receiving and responding to requests for information and opinions from shareholders.	4	x	X					
5.	Dividend policy	5				X			
6.	Policies or agreements not to adopt anti-absorption mechanisms.	6						X	
7.	Arbitration agreement	7	X						
8.	Policy for the selection of the Company's Directors.	8	X	X					
9.	Policy for evaluating the remuneration of the company's directors.	8	X						
10.	Mechanisms to make available to shareholders, information related to items on the GSM agenda and proposed resolutions.	10		X					
11.	Means additional to those established by Law, used by the company to call Boards.	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 that allow for non-presential participation of shareholders.	12		X					

15.	Procedures for issuing a differentiated vote by shareholders.	12		X					
16.	Procedures to be followed in proxy voting situations.	13		X					
17.	Requirements and formalities for a shareholder to be represented at a Board.	13	X	X					
18.	Procedures for the delegation of votes in favor of members of the Board or Senior Management.	13		X					
19.	Procedures to follow-up the General Shareholders Meeting's agreements	14		X					
20.	The minimum and maximum number of directors that comprise the Board of the company.	15	X	X					
21.	The duties, rights and functions of the directors of the company	17	X	X					
22.	Types of bonuses received by the Board for compliance with company goals	17						X	
23.	Policy for contracting advisory services for the directors	17							
24.	Induction policy for new directors	17	X	X					
25.	Special requirements to be an independent director of the company	19		X					
26.	Criteria for the evaluation of the performance of the Board and its members	20							
27.	Policy for identifying, monitoring and controlling potential conflicts of interest	22				X			
28.	Policy that defines the procedure for valuation, approval and disclosure of related party transactions.	23				X			
29.	Responsibilities and functions of the Chairman of the Board, Chief Executive Officer, General Manager, and other senior management officers.	24	X	X					
30.	Criteria for evaluating senior management performance.	24		X					
31.	Policy for setting and evaluating the remuneration of senior management	24		X					
32.	Integrated risk management policy	25			X				
33.	Responsibilities of the Internal Audit Manager.	26			X				
34.	Policy for the appointment of the external auditor, duration of the contract and criteria for renewal.	27				X			

35.	Policy on disclosure and communication of information to investors.	28		X	X				
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(*) Includes GSM Regulation, Board Regulation and others published by the corporation

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