

Mandatory Annual General Meeting of Ferreycorp S.A.A. Lima, 30th March 2015

27th February 2015

To: **Owners of Common Stock of Ferreycorp S.A.A. ("Ferreycorp")**
(ISIN **PEP736001004**; SEDOL **2320126**)
Re: **Proxy Statement on the upcoming General Shareholders Meeting.**

Dear Shareholders,

Georgeson has been engaged by **Ferreycorp S.A.A. ("Ferreycorp")** to facilitate communications between the company and shareholders on matters relating to the Mandatory Annual General Meeting of 2015. **Ferreycorp** aims to **facilitate its shareholders' participation in the Mandatory Annual General Meeting scheduled to be held in Lima, at the company's offices located at Jr. Cristóbal de Peralta Norte N° 820, Surco District, Province and Department of Lima** this coming **30th March 2015** at 11:00 a.m. In the case that the meeting cannot be held on the date indicated due to not counting with the regulatory quorum, there will be a request in **second call on the 6th of April 2015**, at the same time and place.

Georgeson is available to you to answer any questions regarding shareholder participation at the **Ferreycorp** general meeting and, if applicable, to provide you with such additional informational material as may be required. Should you desire additional information, please contact us:

Georgeson
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The key particulars of this Mandatory Annual General Meeting are set out below:

Date of meeting: 30th March 2015 at 11:00 am at first call

Place of meeting: Lima, at the company's offices located at Jr. Cristóbal de Peralta Norte N° 820, Surco District, Province and Department of Lima

Agenda: posted on the company's website <http://www.ferreycorp.com.pe/informacion-para-accionistas/junta-general-de-accionistas/2015>

PLEASE FIND ON PAGE 3 OF THE PRESENT DOCUMENT AN EXPLANATION REGARDING THE ITEMS OF THE AGENDA

Voting procedure: posted on the company website
<http://www.ferreycorp.com.pe/informacion-para-accionistas/junta-general-de-accionistas/2015>

Relevant information to take into consideration for this Mandatory Annual General Meeting:

Record date: the shareholders entitled to participate in the meeting will be those whose shares are on record the **20th March 2015 at 11:00 a.m.**

Documentation: the following documents are available to you on the Ferreycorp website: agenda, report of the directors, annual financial statements and other documents. They can be found at the following links:

www.ferreycorp.com.pe/informacion-para-accionistas/junta-general-de-accionistas,
<http://www.ferreycorp.com.pe/reportes/informes-financieros/estados-financieros-auditados>
<http://www.ferreycorp.com.pe/reportes/memorias-anauales>

Furthermore, you should have received a letter from Ferreycorp with the agenda, the proposed resolutions and the proxy form.

We encourage you to engage with us

Investor Relations

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We thank you in advance for your attention and cooperation.

Georgeson

Paola Gutiérrez Velandía
Head of Corporate Governance Advisory

Governance Statement

Taking into consideration the Company's shareholder structure, where the percentage of foreign institutional investors is 37%, the Ferreycorp's Board of Directors wish to highlight its commitment to align its corporate governance practices with the requirements of institutional investors, becoming a reference in Peru and Latin America for conducting these practices.

As last year, Ferreycorp has undertaken a significant effort to identify and learn the voting policies of the institutional investors included in its shareholder structure, as well as to engage with them explaining the governance principles mechanisms by which the Company is managed and controlled.

This effort has already been recognized in the past Proxy Season by the main Proxy Advisors and the institutional investors with whom Ferreycorp has conducted an engagement process on corporate governance issues

The result of this work was an average support of 83,6 % on the re-election of the Board members in the last AGM and a quorum of 72,66%.

Ferreycorp is a member of "The Latin America Company Circle", an initiative that gathers 15 leader companies in Latin America which adopted the best practices in corporate governance. The Companies Circle is currently sponsored by the International Finance Corporation (IFC) and the Global Corporate Governance Forum, and is supported by the Organisation for Economic Co-operation and Development (OECD).

Please find as follows the items we have developed with respect to the Agenda of the upcoming Meeting.

1. Review and approval of the 2014 report, which includes an analysis and discussion of the financial statements.

The financial statements have been audited by the EY audit firm and the Annual Report was drawn up according to the rules and standards of the securities regulator, the Superintendencia del Mercado de Valores (SMV), and may be consulted on the website via the following link: <http://www.ferreycorp.com.pe/reportes/informes-financieros/estados-financieros-auditados>

2. Distribution of profits for the year 2014.

- The company dividend policy provides that the cash dividend to be distributed will be 5% of the nominal value of the shares issued at the time the general meeting is called, and may reach up to 60% of the freely disposable profits. If 5% of the nominal value of the shares issued at the time the general meeting is called is less than 60% of the freely disposable profits obtained at the closure of the financial year, the general meeting may distribute a larger cash dividend, up to an upper limit of 60% of the freely disposable profits."
- As for the recording of results of its subsidiaries, it is important to mention that in 2014 Ferreycorp changed its accounting policy to value its investments in subsidiaries, affiliates and joint ventures. It switched from the cost method to the equity method of valuation, early adhering to the amendment of rule IAS 27 Separate Financial Statements. The cost method was used until 2013, whereby the profits of the subsidiaries were only written down at the time of distribution of dividends. The aforementioned amendment allows companies to use the equity method to record the investments in subsidiaries, affiliates and joint ventures in their separate financial statements. Those entities which have been applying International Financial Reporting Standards (IFRS) and wish to switch to the equity method in its separate financial statements will have to apply the change retroactively. The amendments are effective for annual periods beginning on January 1st 2016, and early

adoption is permitted. In this regard, Ferreycorp proceeded to amend its financial statements as of December 31st 2013 to make them comparable. The adoption of these rules allowed Ferreycorp to increase its accumulated results.

- The freely disposable profits being S/. 117.973 million, and taking into account a currency change adjustment, it is proposed to distribute a cash dividend of S/. 60.85 million, and equivalent to S/0.06000 per share, which represents 6 % of the nominal value of the shares.

3. Appointment of the external auditors for 2015

The Board of Directors will propose that the general meeting name Ernst & Young as the company's audit firm for 2015, for the fifth consecutive year, and in accordance with the company's policy of contracting the audit firm.

This policy contemplates contracting and renewing the same audit firm for up to 10 years, but ensuring its independence with the rotation of the partner in charge of the works with certain frequency. In 2011, the Company changed the audit firm which had been hired in the previous years. The renewal has the aim to avoid too frequently changes which increases the operating and time costs associated to the audit firm's learning curve in the first years.

E&Y is considered one of the Top Audit firms, maintains a very good prestige, is recognised by the institutional investors and has delivered a good service to the Company. E&Y has teams in Central America and Chile where Ferreycorp has operations as well.

As previous years, The Board of Directors, according to the AGM 2014's decision, hired E&Y for the financial audit services in 2014, approving their contractual terms.

E&Y had meetings with the Audit Committee during February, July, September and December 2014, in which they presented the work plan, the methodology, the assigned team and the scope of the modifications at NIIFs and the Fiscal&Tax framework among others.

As part of the measures for ensuring the independence of the outside auditor, the partner of the external audit firm must rotate with certain frequency and the consultancy services the firm provides to the company should not be material. In this regard, during 2014 no significant consultancy services were contracted with the firm.

The work performed over 2014 was of the satisfaction of both the Company's management and the Audit Committee.

It should be noted that the Board of Directors has set up an Audit and Risk Committee with the following responsibilities:

- Supervising the integrity of the accounting systems by means of an appropriate external audit.
- Periodically reviewing and analysing the company's financial statements.
- Reviewing the external audit reports on the financial statements.
- Supervising the annual internal audit work plan and receiving the relevant reports.
- Proposing, along with the management, the appointment of the external auditor.

The composition of the Audit & Risk Committee is:

Andreas Von Wedemeyer Knigge, Chairman

Member of the Board of Directors of Ferreycorp S.A.A. since 2003 and of the Board of Directors of Ferreyros S.A. since July 2012. Currently he is also executive chairman and general manager of Corporación Cervesur, as well as chairman of the Board of Directors of various companies in that group (Creditex, Alprosa, Transaltisa and Proagro, amongst others). Chairman of the Board of Directors of Euromotors, of Altos Andes and of Renting; director in Corporación Aceros

Arequipa S.A.A., in La Positiva Seguros y Reaseguros and in La Positiva Vida Seguros y Reaseguros, as well as in Corporación Financiera de Inversiones, amongst others. Member of the Executive Board of Sociedad Nacional de Industrias and of Cómex Peru, where he also sits on the Executive Committee. He has previously served as director and general manager of Cía. Cervecera del Sur del Peru, as well as chairman of the Board of Directors of Profuturo AFP, president of the Association of PFAs and member of the Executive Board of Tecsup. He earned a degree in business administration in Hamburg, Germany, and studied in the Program for Management Development, Harvard Business School and Universidad de Piura.

Oscar Espinosa, Executive Director

Chief executive office of Ferreycorp S.A.A. since March 2008 and chairman of the Board of Directors of Ferreyros S.A. since July 2012. He was named general manager in 1983 and joined the company in 1981. Civil engineering degree from the Universidad Nacional de Ingeniería, postgraduate studies in Engineering, Economics and Business Administration, with various degrees and diplomas from Harvard University, North Carolina State College, ISVE Italy, Kellogg School of Northwestern University, the Economics Institute at the University of Colorado, and the PAD of the University of Piura. He has held senior executive and managerial positions in Corporación Financiera de Desarrollo (Cofide), the World Bank, Banco Internacional del Peru and other financial institutions. He currently holds directorships in several firms, including Cosapi, ProFuturo AFP and the La Positiva insurance companies, as well as in important business organisations. He is a member of the Executive Board of Universidad UTEC, of Tecsup, vice-president of the Asociación Pro Universidad del Pacífico and member of the Board of Trustees of the Universidad Antonio Ruiz de Montoya. Distinguished with the IPAE Award in 1999.

Carlos Ferreyros, Executive Director

Member of the Board of Directors of Ferreycorp S.A.A. since January 1971 and vice-chairman since March 2008. He chaired the Board of Directors from September 1993 to March 2008. In Ferreyros S.A. he has served since July 2012 in the same position as on the Board of Directors of Ferreycorp S.A.A. He is a director of La Positiva Seguros y Reaseguros, and a member of the Group of 50 (Carnegie Endowment for International Peace & Inter-American Dialogue). He received a degree in business administration from Princeton University.

Manuel Bustamante, Executive Director

Member of the Board of Directors of Ferreycorp S.A.A. since 2011 and of the Board of Directors of Ferreyros S.A. since July 2012. A lawyer by profession, with a law degree from the Law School of the Pontificia Universidad Católica of Peru. President of the Risk Committee at La Positiva Seguros y Reaseguros and La Positiva Vida Seguros y Reaseguros (from 2013 to present); director at La Positiva Sanitas (since 2012); chairman of the Board of Directors of Fundación Chilca S.A. (2010 to date); director at Mastercol S.A. (2008); vice-chairman of the Board of Directors of La Positiva Vida Seguros y Reaseguros (2005 to date); president of the Audit Committee at La Positiva Vida Seguros y Reaseguros (2005 - 2012); alternate director in Corporación Financiera de Inversiones S.A. (2005); director at Transactions Financieras S.A. (since 2000); director at Dispercol S.A. (1998); director at Sociedad Andina de Inversiones en Electricidad S.A. (1996); director at Futuro Invest S.A. and Futuro Inmobiliario Camacho S.A. (1994); chairman of Profuturo AFP (1993-1999) and member of its Executive Committee (1993-2010); first vice-president of Banco Interandino (1991-1995); chairman of Banco de la Nación and member of the Foreign Debt Committee of Peru (1980-1983); member of the Board of Directors of Corporación Financiera de Desarrollo- Cofide (1980-1983); vice-chairman of La Positiva Seguros y Reaseguros (1975 to date); founding partner and member of the Estudio Llona & Bustamante Abogados law firm (1963 - present); foreign trainer member of Shearman & Sterling in New York (1962-1963); and president of the Fundación Manuel J. Bustamante de la Fuente (1960 - to date).

Carmen Rosa Graham, Independent Director

Member of the Board of Directors of Ferreycorp S.A.A. since 2011 and of the Board of Directors of Ferreyros S.A. since July 2012. She holds directorships in Interbank and Nextel, and sits on the Executive Board of Entrepreneurs for Education and of the Asociación Pro Universidad del Pacífico. She is also chairwoman of the Board of Directors of Fundación Backus. She is an international consultant on corporate governance and management, and has previously served

as rector of the Universidad del Pacífico and general manager of IBM Colombia, IBM Peru and IBM Bolivia. Graduated with a degree in Business Administration from the Universidad del Pacífico. IBM systems engineer. She holds an MBA from the Adolfo Ibáñez School of Management and has participated in various executive development programs at IBM Corporation, Georgetown University, Harvard Business School, University of Monterrey and Universidad de Piura, amongst others.

Responsibility for negotiations with and contracting the Ernst & Young audit firm will be delegated to the board of directors and management.