

Proxy Statement
Annual General Shareholders Meeting of Ferreycorp, S.A.
Lima, 29th March 2017

Ferreycorp S.A.A 's shareholders
(ISIN **PEP736001004**; SEDOL **2320126**)

Dear Madam / Sir:

We are pleased to inform you that, as shareholders of Ferreycorp S.A. ("Ferreycorp"), you will receive sufficient and proper information from the corporation on all matters related to the upcoming Annual General Shareholders Meeting.

We are fully available to answer any questions related to your participation in the meeting and, if necessary, to provide you with supplementary information or documents you might require.

For any additional information, please refer to the contact below:

Investor Relations

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Date and place of the Meeting: March 29th, 2017, at 11:00 am, in first summons at the company's headquarters located at Jr. Cristobal de Peralta Norte No. 820, Surco district, province and department of Lima. In case the meeting cannot be held at the date indicated before, for not having reached the statutory quorum, the second summons will be held on April 4th, 2017, at the same time and place.

Agenda: the items of the agenda are published as "Relevant Issues" (Hechos de Importancia) on February 28th 2017 and in the newspapers El Comercio and El Peruano dated March 3rd 2017.

Record date: The shareholders entitled to participate in the Annual General Shareholders Meeting will be those whose shares are recorded as of March 17th 2017.

Documentation: The following additional documents are available on Ferreycorp's website and at the "Superintendencia del Mercado de Valores-SMV": Agenda, audited financial statements, annual reports and other documents

Voting representation in the Shareholders Meeting: Shareholders entitled to attend the Shareholders Meeting may be represented by another shareholder, custodian bank of their shares or by any other person. According to Regulations of Shareholders Meetings, the voting representation must be granted in writing, by means of a simple letter addressed to the company specifically for each Meeting, except in the case of powers granted by public deed.

The powers must be registered in the company with an anticipation of not less than 24 hours before the Annual General Meeting is to be held. The simple letter must be addressed to the general manager and signed by the shareholder, indicating the number of shares held by the shareholder, the name and the identity of the appointed representative, including the voting instructions for each of the items in the Agenda, for which the Company will provide a format .

When the representation and delegation of votes is conferred to the Chairman of the Board of Directors, to a director or to the general management of the company, a limit will be applied in accordance with good corporate governance practices. The limitation has been set at 20%. This means that it will only be assigned to the Chairman, directors and general manager the first powers of attorney receive up to 20% of the capital. In order to be able to compute this cap, the allocation of powers will be made according to the date and time of entry of the letters sent to the company. The power of attorneys received once the 20% cap has been reached, will be assigned to a second representative; for this reason we request to include a second representative in the document. Otherwise, the company will assign it.

Good Corporate Governance Practices: Ferreycorp is committed with its shareholders and in maximizing the value of the company in the long term. Therefore, it is constantly studying the incorporation and / or adaptation of practices that allow it to remain at the forefront of corporate governance, in line with its conviction of maintaining excellent relations with its shareholders and creating more value for them.

This commitment has led Ferreycorp to integrate the Good Corporate Governance Index (IBGC: Índice de Buen Gobierno Corporativo) of the Lima Stock Exchange since the launch of this distinction in 2008, and to be considered among the TOP companies with best corporate governance practices in 2016, according to La Voz del Mercado, study conducted by EY and the Lima Stock Exchange (BVL).

Also, Ferreycorp participates for more than a decade in the Companies Circle (Compañías de la Mesa Redonda Latinoamericana de Gobierno Corporativo), composed of 15 leading companies in corporate governance.

About 2016 Shareholders Meeting and its approved resolutions: the Company would like to thank all the shareholders for their active participation and voting at the last Annual General Meeting, which was held on March 30th, 2016, with the result of a quorum of 78.94%, which made possible the approval of all items of the Agenda. The active participation of shareholders, either directly or through power of attorneys, offered a renewed stimulus for the work of corporate governance developed by the corporation.

During the Meeting in March 2016, the general manager - responsible for the follow-up of the resolutions adopted at the meetings - informed shareholders of the compliance of the agreements of the Meeting of the previous year, which was informed to the Board of Directors and disclosed to the market. In the same way, the implementation of 2016 Shareholders' agreements, have been informed to the board and the market and will be shown at the next Shareholders Meeting.

Regarding the items of the Agenda for 2017 Shareholders Meeting: for your best participation in the next Shareholders Meeting, or via voting representation, we are pleased to send you detailed information regarding each of the items of the agenda, approved by the board in the session celebrated on February 28th 2017, as well as the proposals to the shareholders.

1. Review and approval of the 2016 Annual Report, which includes the analysis and discussion of the financial statements and corporate management.

The audited financial statements and the Annual Report were approved by the board of directors and notified as "Relevant Issue" (Hecho de Importancia) on February 28th, 2017, having been registered in the website of the securities regulator, the "Superintendencia del Mercado de Valores (SMV)", as well as on the company's website.

The financial statements, separated and consolidated, have been audited by PwC audit firm. The Annual Report has been prepared according to the rules and standards of the securities regulator (SMV).

2. Profits distribution.

The company's dividend policy states that cash dividend to be distributed will be 5% of the nominal value of the shares issued at the time the general meeting has been called, and may reach up to a 60% of the free disposal profits. If 5% of the nominal value of the shares issued at the time the general meeting has been called is less than 60% of the free disposal profits obtained at the closing of tax year, the shareholders meeting may distribute a larger cash dividend, up to the highest limit of 60% of the free disposal profits.

The proposal of the Board of Directors is to deliver a cash dividend of S/. 124,434,265, amount that does not exceed the threshold above mentioned. Cash dividend will be equivalent to S/. 0.122677 per share, representing 12.2677% of the issued shares nominal value. This percentage is higher than the one delivered in previous years. However, taking into account that the Company has a stock repurchase program in place, the dividend per share may vary until the corresponding record date.

Given that the Company still has retained earnings from previous years, the proposed cash dividend will come not only from 2016 profits, but also from retained earnings from previous years, according to a recent mechanism that establishes an order for the delivery of retained earnings, starting with the oldest ones.

After the delivery of cash dividends, the balance of retained earnings will amount to S/. 223,563,516. This will allow Ferreycorp to have adequate financial ratios and have resources to finance the growth of the Company.

3. Election of the Board of Directors for the period 2017-2020

The Board of Directors will submit for approval to the Shareholders Meeting the list of proposed candidates from some shareholders. Given that by the time of submitting this document it has not been received the mentioned candidates' proposal of some shareholders, the Nominations, Remuneration and Corporate Governance committee will send the list of proposed nominees as soon as it receives it from the shareholders. It is expected that this occurs in the coming days.

Following you can find some best practices developed by Ferreycorp's Board of Directors:

- Board Committees: The Board has special committees, mostly chaired by independent directors.
- Board Evaluation: Since 2005, a self-assessment has been carried out annually, from which improvements in the practices and procedures established for the Board's

dynamics are proposed. Also, every two years, an independent external body, carries out a Board assessment as a collegiate body, and an individual evaluation of each one of its members.

- Term of mandate: It is established in the Bylaws and is in line with international standards it is 3 years.

4. Appointment of external auditors for fiscal year 2017.

Complying with the recruitment procedure for external audit services, in 2016 was carried out selection process by which resulted elected Gaveglio, Aparicio y Asociados Sociedad Civil de Responsabilidad Limitada, member of Price Waterhouse Coopers (PwC), due to the winning combination of its technical and economic proposal.

In the meeting held on February 24th 2016, and following the recommendation of the Audit and Risk Committee, the Board approved to propose to the Shareholders Meeting the designation of PwC as the audit firm for financial audit services, transfer pricing studies and review of affidavits of Income tax accrued for 2016. Income from this last two services corresponded to 14% and 17%, respectively, of the total invoiced by the auditing company during 2016.

Likewise, the Board proposes to the Shareholders Meeting to re-appoint the audit firm PwC in 2017, requesting to delegate to the Board and management the negotiation and contracting of the aforementioned services for Ferreycorp and its subsidiaries in Peru and its companies abroad.

This proposal occurs within the approved policy set out some years ago regarding the hiring of external auditors of Ferreycorp, which includes the possibility of hiring and/or renewing the contract of the audit firm for 5 renewable years and up to 10 consecutive years, but ensuring the independence of opinions through appropriate rotations of the partner and manager in charge and with the satisfaction from the Audit and Risk Committee regarding the services provided by the firm.

It should be mentioned that the the Audit and Risk Committee has the following functions:

- Supervise the integrity of accounting systems through an appropriate external audit.
- Review and periodically analyze the financial statements of the company.
- Review the external audit reports on the Financial Statements.
- Supervise the annual work plan of the internal auditor and receive the relevant reports
- Propose the appointment of external auditors in coordination with management.

The composition of the Audit and Risk Committee is chaired by Mr. Ricardo Briceño (independent director) and are members: Andreas von Wedemeyer Knigge, Óscar Espinosa Bedoya, Carlos Ferreyros Aspíllaga, Carmen Rosa Graham Ayllón (independent director) and Raúl Ortiz de Zevallos (independent director)

5. Merger by absorption of Inmobiliaria CDR S.A. by Ferreycorp S.A.A.

The Board of Directors recommended to the General Meeting the approval of a merger project, through which Ferreycorp S.A.A. will absorb Inmobiliaria CDR S.A., a wholly-owned subsidiary of the corporation, which owns a property currently leased to other subsidiaries. The objective of the operation will be to consolidate and organize, in a single company, the tenancy functions that are used by several subsidiary companies, thereby simplifying the corporate structure of

Ferreycorp and making its management more efficient, with the consequent financial benefit expected from a reduction in management expenses.

Given that at the time of the entry into force of the merger Ferreycorp will be shareholder of 100% of the shares of Inmobiliaria CDR, this will be treated as a simple merger, in the absence of a capital increase leading to the issuance of shares in favor of Ferreycorp, in accordance with the established in the General Law of Societies of Peru (Law 26887).

Inmobiliaria CDR S.A. has assets for S/. 99,759,000, representing 2.2% of the consolidated assets of the corporation. The main accounting effect of the transaction will be that Ferreycorp S.A.A. in its Separate Financial Statement, will replace an investment in securities with a fixed asset. There will be no effect on the volume of assets of the Consolidated Financial Statement.

Revenues of Inmobiliaria CDR S.A. in the year 2016 were of the order of S/. 7,375,000 as a consequence of the lease of its premise to companies of the Corporation, which are "offset" when consolidating with the total revenues of the Company. The date of entry into force of this merger would be July 1, 2017.

6. Empowerment to sign public and/or private documents with respect to the resolutions adopted by this shareholders' meeting

As in previous years, it will be asked to Shareholders to delegate powers to the executive chairman and to the general manager to sign public and/or private documents as may be required to execute the resolutions approved at the Meeting.

Having explained the Board's proposals to the shareholders, we thank you in advance for your attention to the present and your participation in the Annual General Shareholders Meeting of Ferreycorp. We hope that the explanation of the proposals of the Board has been clear and that it facilitates your support to them.

Best regards



Patricia Gastelumendi Lukis
Gerencia Corporativa de Finanzas