

CEMENTOS LIMA S.A.A CODE FOR GOOD PRACTICES IN

CORPORATE GOVERNANCE

I. BACKGROUND

Cementos Lima S.A.A., from here on out known as the “Company”, is an open corporation, established and domiciled in Lima, Perú. It’s main business objective is the elaboration and fabrication, within the country and abroad, of clinker, cement and other construction materials, including the commercialization and sale of such, as well as the operation of the Conchan port and complementary installations.

Likewise, the company may invest in other companies dedicated to similar activities and/or those that collaborate, develop and complement the company’s objectives in the country and abroad. The investment in other companies dedicated to electric activities and performance of port activities to third parties shall be included in the main business purpose.

The Company was established by Public Deed dated December 28, 1967. The main shareholder since the establishment of the Company has been the Sindicato de Inversiones y Admistracion S.A. (SIA). SIA exercises and is responsible for the Company’s General Management, in accordance with the twelfth clause of the Public Deed dated December 28, 1967 for the formation of the Company. The validity of such clause has been recognized and ratified by court orders issued in the years 1985 and 2003, having an effect of res judicata.

The Company mainly produces Type V Clinker, Type I Clinker, Type II Clinker, Type V Portland Cement, Type I Portland Cement, Type II Portland Cement and Portland Pozzolan Cement. Most of its production will be marketed nationally and any surplus may be exported in bulk through the Conchan Port.

The Stockholders Meeting held on May 2, 2011 agreed to change Cementos Lima from a C corporation to a publicly traded corporation.

II. GOOD PRACTICES IN CORPORATE MANAGEMENT

The Internal Rules of Conduct for our Corporate Activities was approved by the Board Meeting held on March 17 of 2003. This has been a very important precedent and has been the basis for the elaboration of the Code for Good Practices in Corporate Administration, from hereon referred to as the "Code". Such has been made in accordance with the guidelines found in the CONASEV document titled Principles for Good Management for Peruvian Companies, which contains the Organization Principles for Economic Cooperation and Development (OCDE in Spanish), approved in April 1999.

Our business culture has the purpose of maintaining friendly and transparent relationships with all those related to the Company, such as Stockholders, Board members, Management, employees, clients, suppliers, local government, regional government, national government and the community.

Our aim with this Code is that the aforementioned people feel that their relationship with this Company is trustworthy and transparent, with clear political guidelines and processes.

The creation of value, harmonious interests and the promotion of economic growth is the objective in Good Practices in Corporate Management.

III. EXERCISE OF CONSTITUTIONAL AND LEGAL RIGHTS; FULFILLMENT OF THE CONSTITUTION, LAWS AND REGULATIONS

3.1 The Company maintains an active and watchful conduct with respect for Government, public authorities and third parties in general, for their constitutional and legal rights. Specifically, while protecting its shareholder's interests, the Company will exercise all necessary legal actions in the case of infringement of its legal and constitutional rights affecting its properties, its regular operations, its revenues and additional rights.

The Company may observe an active and decisive conduct for the fulfillment of all applicable laws, rules and regulations. It shall be understood that these are applicable when they have been issued in accordance with the Constitution and laws.

Particularly, the Company is compromised in the following:

- i. To have a workplace free of discrimination or aggression based on race, gender, age, color, religion or any characteristic different from the Company's interests or protected by law.
- ii. To meet all the rules, environment, health and security laws.
- iii. The Company's Social Responsibility, through the Atocongo Association.
- iv. Support fair competition and forbid commercial practices not allowed by law or other unfair commercial practices.
- v. Forbid any illegal payment, including gifts, favors or allowances given to suppliers, clients, and public authorities and personnel.
- vi. Forbid any illegal collection, including gifts, favors or allowances from suppliers, clients and third parties in general.

3.2 Fair Competition and Attitude

The Company looks to surpass its competitors in a fair and honest manner, through business efficiency and corporate superiority; never by illegal or non-ethical practices. Theft of intellectual property is forbidden, as well as the possession of secret commercial information obtained without permission or authorization by the owner. It is forbidden to induce the revelation of certain information from former or actual employees, agents or representatives from other companies.

The Company's Administration is committed to an adequate behavior with its clients, suppliers, competitors and its employees. It shall abstain from taking unfair advantage by any manipulation, abuse of privileged information, inappropriate presentation of false information or any other disloyal practice on its behalf or by third parties.

It is not allowed to:

- i. Exchange or discuss with competitors the prices, terms and sale conditions of goods and services or any other competitive information; or
- ii. Be involved in any other conduct that violates any rule or law for fair competition.

3.3 Confidentiality

The Company's Board members, officials and employees, subject to this Code, shall not provide non members of the Company with any information, information considered confidential and of Relevant Facts, regardless of whether they are or are not considered private information, where they have been supplied to them by the Company, its suppliers, clients or members, unless legally required. Confidential information shall include Relevant Facts, as well as all non public information that may be used by the competition to damage the Company, or its suppliers, or clients or members if public.

Confidential information shall include for example, commercial secrets regarding technology, investigations, for clients and suppliers, list of suppliers, financial information and projections that have not been announced or are related to the market, price goals and business plans as well as information reserved for the exploration areas.

Board members, officials and employees of the Company shall be held to their obligation to not reveal this information even after retiring from the Company.

3.4 Conflict of Interests

Company Board members, officials and employees must be loyal to the Company, acting in a way to avoid any conflict of interests with such and putting ahead the Company's interests. A conflict of interests shall exist when a person or the person's private interests, be they of a financial or any other nature, interfere or may interfere with the Company's interests. A conflict of interests may be the case when the "involved person" acts or has interests that may make complicate his or her decision or performance for an objective and efficient performance in benefit of the Company.

The dispositions of Article Twenty Ninth of the Company's Bylaws and Article 180 of the General Corporations Law shall be applicable to the Company's Board Members in the case of conflict of interests.

In accordance with the Company's Bylaws and the General Corporations Law, in the case of conflict of interests by one or more Board Members, these shall abstain from participating in the Board's decision, deliberation and resolution involving a conflict of interests.

3.5 Use and Protection of the Company's Assets

The assets of the Company, such as real estate, concessions, machinery, equipment, vehicles, information, material, supplies, time, software, hardware and facilities, as well as any movable property or building, tangible or intangible, are valued property of the Company.

The Company's assets shall also include information ownership, such as intellectual property, including patents, trademarks, commercial secrets, rights, as well as business, market and service plans, manufacturing ideas and engineering, designs, data bases, registers, salaries information and any other non public financial information.

The Company's assets shall solely be used towards its legal corporate purpose. Board Members, Managers and employees in general must be committed to protect the Company's assets for their efficient use.

Non authorized use of the Company's assets is forbidden and must be reported to the General Management or Board. Personal use without authorization of the Company's assets is forbidden, although incidental personal use may be valid.

IV SHAREHOLDER'S RIGHTS

4.1 Property Registry

Shares will be issued in a nominal and indivisible manner, may be represented by one sole person and must contain all the information required by Law. The shares shall be represented by certificates, account registrations or any other manner allowed by Law.

Share certificates shall be signed by either any Company Board Member, the General Manager along with a Board Member, or by the General Manager together with another Manager. In case of loss, destruction or theft, the Company shall proceed to annul the certificate and issue a duplicate of the same in accordance with the legal dispositions applicable to the case.

The Company shall keep a Stock Ledger in accordance with the Law. The Ledger shall contain the creation, issuance, transfers, exchanges and splitting of shares, any legal usufruct, pledge or protective measures applied to them. It shall also include agreements between shareholders or by shareholders with third parties that deal with shares or refer to the exercise of the rights attached to them, provided they are not contrary to the provisions of the second paragraph of paragraph 3) of Article 254 ° of the General Corporations Law.

The Stock ledger may be in any form or means, electronic or any other nature permitted by law.

The Company shall consider shareowner, that whom appears in the Stock Ledger. When shares are represented by book entries, the legit owner shall be that whose name appears registered in the entries of the accounting records for the remuneration and securities payment institution.

4.2 Modification of minor shareholders' rights

In the case of agreements that may change minor shareholders' rights, these must be submitted to the consideration of the Board. The Board shall issue its opinion after being presented with and evaluating a detailed report. Likewise, if the Board considers it necessary, it may request the opinion of an external consultant.

4.3 Right to attend Meetings

Duly registered Shareholders in the Stock Ledger or those whose name appear registered in the entries for the accounting registry for the remuneration and securities payment institution are entitled to attend the General Shareholders Meeting. In either case of registration, the

registration should be dated no later than ten days prior to the date set for the Meeting.

In accordance with the Bylaws and General Shareholders Meeting Rules, shareholders may be represented by a third party.

4.4 Shareholder Information

As established by the Bylaws, the Company, and as part of its transparency policy, documents and company information relevant to shareholders or groups of interest shall be made directly available or indicated as to its location by means of reference or Internet web pages.

The Company website will include as a minimum the following information:

- a. The Company's Mission and Vision.
- b. Cementos Lima S.A.A. Code for Good Practices in Corporate Administration.
- c. The Sustainability Report.
- d. The Corporate Bylaw.
- e. The General Shareholders Meeting Rules.
- f. The Board Rules.
- g. Members of the Board and Management.
- h. Committees formed by application of the Code.
- i. Quarterly Reports presented to CONASEV.
- j. Financial information presented to CONASEV.
- k. The Annual Report presented to COASEV.
- l. Notice of meetings for the General Shareholders' Meeting.
- m. Relevant Facts presented to the CONASEV.
- n. Rules for Board Committees.

The Shareholders' Association, Board and/or Management are not obliged to reveal information that they consider reserved, privileged and/or confidential. For these effects, the information that shall be considered reserved, privileged and/or confidential is that which is considered a Relevant Fact in accordance with CONASEV, but that is determined by the General Manager to not be revealed in order to avoid damage to the Company, even though it has been presented to the CONASEV.

The General Manager, at his own discretion and criteria, shall determine whether information is sensitive and confidential.

In this regard, confidential information shall include Stock Market privileged information, industrial secrets, ongoing operations, that which is essential to the Company's negotiations and other that if revealed may affect the Company's competitiveness.

Taking into consideration the aforementioned, Shareholders shall have the right to request previously or during the Shareholders Meeting, reports and explanations necessary for the Agenda's discussions.

4.5 Proposal of subjects to be discussed in the General Shareholders Meeting

Throughout the month of January, any shareholder, regardless of their percentage participation, may propose any issue to be included in the Mandatory Annual Shareholders Meeting agenda. The issue must be in the Company's interest.

The General Management will attend requests with proposals and issue a response to the request.

All issues added to the agenda must be in the Company's interests and correspondent to legal competition or the Meeting's bylaws. The General Manager may not deny this nature of requests without providing the shareholder with a reasonable explanation.

V GENERAL SHAREHOLDERS MEETING

The General Shareholders Meeting is the Company's supreme body. Shareholders reunited in a duly noticed general meeting and meeting the required quorum shall decide on issues they are entitled to based on the majority established by the General Corporations Law. All shareholders, including those that are not present or in opposition, must submit to decisions agreed on by the General Meeting.

5.1 General Shareholders Meetings Rules

The Company must have a set of Rules for General Shareholders Meetings. These rules shall aim to increase shareholders participation in the company's business. These rules, among other issues correspondent to the General Shareholders Meeting, shall include: (i) Functions, (ii) Classes of Meetings, (iii) Regarding sessions, (iv) Notice of meetings, (v) New notice of meetings or Postponements, (vi) Representation rights; and (vii) Quorum.

5.2 Notice of meetings for the General Shareholders Meeting

5.2.1 The Board shall summon the General Meeting when it is disposed by Law, established by the Bylaws, or considered necessary to the Company's interests. It shall also summon a meeting when requested by notarized means by one or more shareholders representing at least five percent (5%) of the shares with voting rights, with the Board informing of the issues to be discussed.

5.2.2 The Board shall issue a notice of meeting for the annual Mandatory Shareholders Meeting as well as other ordinary meeting by giving notice 25 days prior to the date arranged for the meeting. The meeting shall be summoned via an ad placed in the official gazette "El Peruano" or an equivalent, as well as in a major newspaper. This ad shall indicate the place, date and time that the meeting shall take place, as well as the issues to be discussed.

5.2.3 The ad inviting to the meeting shall be included in the Company's webpage. Shareholders requiring information may request such from the General Manager as indicated by numeral 4.4.

5.3 The President and Secretary

The sessions held for the General Shareholders Meeting will be led by the Chairman of the Board, or in his absence, by the Vice-Chairman. If neither were to attend, the session shall be led by the shareholder representing the largest number of shares, deciding by a draw in case of equality.

The General Manager shall be the secretary in General Meeting sessions.

5.4 Quorum and Minimums Required

Agreements shall be made in accordance with the quorum and minimums required by the Bylaws and the General Corporations Law.

5.5 Representation Rights

Shareholders may be represented in the General Shareholders Meeting, provided such representation is assigned in writing specifically for each meeting, unless a proxy is granted by public deed.

Shareholders may be represented in the General Shareholders Meeting by any person, provided the representation is duly entered in the company's registry prior to no less than twenty four (24) hours to the hour set for the meeting. Once entered, the proxy must be made available to the company.

5.6 Attendance by third parties to the General Meeting

When considered convenient, the General Manager shall propose to the President of the Meeting to invite third parties that are not entitled to assist the session. This invitation shall have the purpose of providing shareholders with better information regarding the company's ongoing issues. The participation of such third parties requires prior approval by the Meeting's President.

VI THE BOARD

The Board is the highest management body, being responsible for the Company's management. In accordance with the Board's Bylaws, it shall be able to legally represent the Company and perform all necessary actions for the administration of the same. These actions must be part of the Company's business, with the exception of faculties attributed to the General Shareholders Meeting by law or the referred Bylaw.

6.1 Board Internal Regulations

The Company's Board shall have a Regulation that shall control its functioning and organization, being binding to all the Board Members.

6.2 Members and number of Board Members

There shall be eleven (11) Board Members. Members are chosen, in accordance with the Bylaws, by the General Shareholders Meeting.

Board Members must dedicate sufficient time to their responsibilities. The Board shall meet at least once every calendar month in addition to any other time required for a permanent and adequate supervision of the Company's issues. In the case that Members may not be present in person, any technological method allowed by law may be used.

Independent Board Members are those selected based on their reputation and professional experience. They shall not be related to majority shareholders, management or groups in control of the Company, nor may they receive retribution of any kind from the aforementioned.

6.3 Role of the Board

The Board shall have the following occupations, in accordance with the faculties and roles established in the Bylaws and the General Corporations Law and included in the Board Regulations:

- a) Evaluate, approve and direct corporate strategy; establish objectives and goals as well as main action plans, follow up policies, risk management and control, annual budgets and business plans; control the fulfillment of the aforementioned; and supervise main expenses, investments, acquisitions and sales.
- b) Select, control, and when necessary, replace senior management as well as establish their remuneration.

- c) Evaluate remuneration for senior management and Board Members, guaranteeing that the election of Board Members follow a formal and transparent process.
- d) Supervise and control possible conflicts of interests between management, Board Members and shareholders, including fraudulent use of the Company's assets and undue advantage in transactions among the interested parties.
- e) Supervise the effectiveness of the corporate practices by which it operates and making changes to such that result necessary.
- f) Supervise the information policy.

6.4 Committees

The Board, independently from the management, is able to pronounce an objective judgment regarding the Company's matters. It should be taken into account that the Board may enlist special Committees according to the Company's needs and dimensions, especially in the case of audit roles.

Likewise, these special Committees may make pronouncements regarding, among other things, appointments, retributions, planning and control.

These special Committees shall be formed within the Board as support mechanisms. Independent Board members must be among the Committee's members in order to ensure impartial decisions where there may be conflict of interests.

The Committee for Corporate Good Practices has the main objective of spreading among the Company itself and in relationships between the Company and groups of interests, the adoption, implementation and follow up of corporate good practices, as well as also look out for the fulfillment of the present Code. It shall be made up of three Board Members, annually chosen by the Board, and must include at least two independent Board Members.

The Audit Committee has the main role of supervising the Company's financial statements and that their notes reasonable present the operating results and cash flow. It shall also supervise the performance of the internal and external audit, as well as the fulfillment of applicable norms and legal regulations. It shall be made up of three Board Members, annually chosen by the Board, and must include at least two independent Board Members.

6.5 Board Members Rights and Obligations

The Board Members obligations shall include the following roles:

- a) Diligence and Faithfulness: The Board, with faithfulness to the corporate interest, shall meet all tax obligations imposed by law and the Bylaws.
- b) Loyalty: Board members shall act in good faith on behalf of the Company's interests, as honest and meticulous as a third party businessmen. No Board Member may realize, in their own benefit or for a related party, investments or any operation related to the Company's assets, that which they have been made aware of in the performance of their position, when the investment or operation has been offered to the Company or the Company has an interest in it, provided that the Company has not expressly disregarded such investment without the influence of the interested Board member.
- c) Non-Competition: Board Members shall disclose share participation or business participation that they may have in competing business' social capital. They must also disclose positions and performances, on their own or on behalf of third parties, of activities similar to that of the company's main corporate purpose. Businesses belonging to the same business area where the Company participates shall be considered competitive businesses.
- d) Confidentiality: During and after their roles, Board Members must not disclose all confidential information, data or background that they have gained knowledge of as a result of their position.

- e) Non-use of corporate assets: No Board Member may for their personal use, make use of the corporate assets, unless they are assigned as part of their appointment. Nor may they use their appointment to obtain a patrimonial advantage that does not correspond to their position, unless such should be a result of an adequate remuneration.
- f) Communication and resolution of Conflict of Interests: Board Members must inform the Board of any direct or indirect situation in conflict with the general corporate interest.
- g) Information Duty: Shareholders must, by sworn statement, annually inform of the following: (i) legal entities controlled by related persons; (ii) information regarding the Board Member's participation in the management of companies other than the Company; and (iii) personal kinship information.

On the other hand, the Board members are entitled to:

- a. Information: Any Board member may demand information regarding the issues to be deliberated on. This information, as a general manner, may not be denied based on a confidentiality nature, regardless of all information relevant to the correct performance of their position. This right shall be limited in the case that the Management considers that the disclosure of the confidential information will put the corporate interests at risk. Notwithstanding, the General Management shall provide the Board Members with all the documents necessary for them to reach agreements in an informed manner. This information shall be provided at least three (3) calendar days prior to the corresponding Board session. Likewise, Board Members may request any additional information considered necessary and related to the issues to be discussed. As a general case, this requested information may not be denied due to confidentiality.
- b. Expert consulting support: The Board Members, within their performance, may obtain support from experts within the Company. In the case of specific problems with

a certain relevance and complexity, the hiring of independent experts may be proposed to the Board. The Board shall decide in each case on the relevance and complexity of the issue.

- c. Subjects to be included in the agenda: Submit issues regarding the Company's interests for the consideration and resolution by the Board.

6.6 Board Organization

The Board shall be composed by the Chairman, Vice-Chairman and Members.

The General Shareholders' Meeting shall elect the Chairman and Vice-Chairman.

The Chairman and Vice-Chairman will legally represent the Company.

6.7 Rules regarding performance, session frequency, notice of meetings, non-present sessions, Chairman, Secretary, quorum, minutes and Board organization.

The Board Regulations, Bylaws and General Corporations Law shall apply.

New Board Members should be informed regarding their rights and responsibilities, as well as the Company's characteristics and organizational structure.

VII General Management

The General Manager is the Company's legal representative and executor of dispositions adopted by the General Meeting and the Board. The General Manager shall be appointed by the Board and may be a Board Member, an individual or legal entity. In the case of a legal entity, a representing individual must be immediately appointed.

7.1 General Manager's Responsibilities

In addition to the responsibilities included in the Bylaw's Thirty First Article, those granted by the Board, General Shareholders Meeting and legal mandate, the General Manager shall have the following obligations and responsibilities:

- a. He/she must be sufficiently independent in order to appropriately fulfill his/her performance within the guidelines established by the Board.
- b. The Management must perform with the same diligence, loyalty and reserve as that expected of the Board.
- c. The General Manager must meet the policy for information disclosure to the Board as an entity as well as each Board member as an individual, notwithstanding the responsibilities established by the Bylaws.
- d. The General Manager must respect other Managers' responsibilities and roles in order to avoid these from concentrating.

7.2 General Manager's additional obligations

The Company is committed to provide CONASEV and the Lima Stock Exchange with periodic reports and documents, as well as other Company public communications. This information shall be complete, true, detailed, timely and comprehensible. These shall also be the General Manager's responsibilities:

- a. Keep accounting books and entries that contain financial information in a complete, legal and clear manner in accordance with international norms, norms by the National Accounting Council and legislation in force.
- b. Inform and enter stock market exchanges.
- c. Guarantee that the financial statements and other financial information, including periodic reports, be prepared in accordance with the generally accepted

accounting principles and true to material and financial conditions, operation results and Company cash flows.

- d. Supervise the disclosure and processes to ensure that the Company's material information is prepared with the Board's knowledge, especially in the cases when the Company is preparing for or is actually periodically presenting to CONASEV.

VII GOOD CORPORATE MANAGEMENT ANNUAL REPORT

The Committee for Corporate Good Practices shall supervise the effective fulfillment of corporate good practices, managing its needs and/or improving them in benefit of the shareholders, interest groups and the Company.

Likewise, the Committee shall prepare an annual report. This report may be represented by the Good Corporate Practices Annex for Peruvian Companies and must be in accordance with modifying or extended rules issued by CONASEV.

IX RELEVANT FACTS

Relevant facts as well as privileged and reserved information must be disclosed to the market by the designated entities, as well as that relating to the legal conduct standards for the Company's activities; elaborated in accordance with the Relevant Facts, Reserved Information and Other Communication's Regulation, hereafter "the Regulation", approved by CONASEV Resolution No. 107-2002-EF/94.10.

9.1 The following will be considered Relevant Facts:

- Acts, facts, decisions or agreements that must be disclosed to the market by the corresponding entities, considering that they may affect the Company, its subsidiaries and

affiliates or may significantly affect price determination, supply or negotiation of securities issued by the Company. Also in the case that they may affect investors in their opinion regarding the Company's implicit risk, financial situation and operating results, as well as securities issued by the Company with the legal base set by the Stock Market Law and "the Regulation".

- Any agreement, act or fact regarding any of the events mentioned in the Regulation's Annex I.

9.2 The following will be considered private or privileged information:

- That which is considered a Relevant Fact, but that the Company Board decides must be kept private because early disclosure may damage the Company. This private information must be prepared by the General Management and submitted for approval to the Board. This approval will require the favorable vote of three quarters of the Board Members. Afterwards, the information shall be presented to CONASEV and the Lima Stock Exchange by the Stock Exchange Representative, in accordance with "the Regulation".

The General Manager shall be responsible for keeping confidential all private or privileged information he/she prepares until submitted to the Company's Board. From there onward, Board Members shall also be responsible for keeping the confidentiality applicable to private and privileged information and the Stock Exchange Representative.

Only the General Manager, Board Members and Stock Exchange Representative shall access private information.

9.3 Elaboration and communication of information regarding Relevant Facts

The Company's Finance Management must prepare the information regarding Relevant Facts. It must then be

approved by the General Management in accordance with “the Regulation”.

The Financial Management is liable for guaranteeing that the Relevant Facts information remains confidential until submitted to the General Management. From there on after, the General Management is also liable for guaranteeing that the Relevant Facts information remains confidential until the submitted by the Stock Exchange Representative to the CONASEV and Lima Stock Exchange, according to “the Regulation”.

The Company shall disclose Relevant Facts, Private Information and other Communications in fulfillment with the formalities prescribed in Annex II of “the Regulation”. The General Manager and Stock Exchange Representative shall be responsible.

Disclosure of private or privileged information, or Relevant Facts communications, must not endanger the Company’s competitive position or affect the Company’s normal activity development.

9.4 Market Circulation of false, inaccurate or incomplete information

In the case that false, inaccurate or incomplete information regarding Relevant Facts is circulated in the market; the General Manager shall clarify or deny such information by presenting a communication in accordance with the procedure established in “the Regulation” for Relevant Facts and other Communications.

9.5 Abstaining from Withholding Information

Company Board Members, officials and employees shall abstain from using private or privileged information in their own benefit or for the benefit of third parties. Likewise, they shall abstain from disclosing any Relevant

Fact information that they have had access to before providing such to CONASEV and the Lima Stock Exchange by the Company. In the case of private or privileged information, this withholding obligation shall end when the private characterization of Relevant Fact ends in accordance with “the Regulation”.