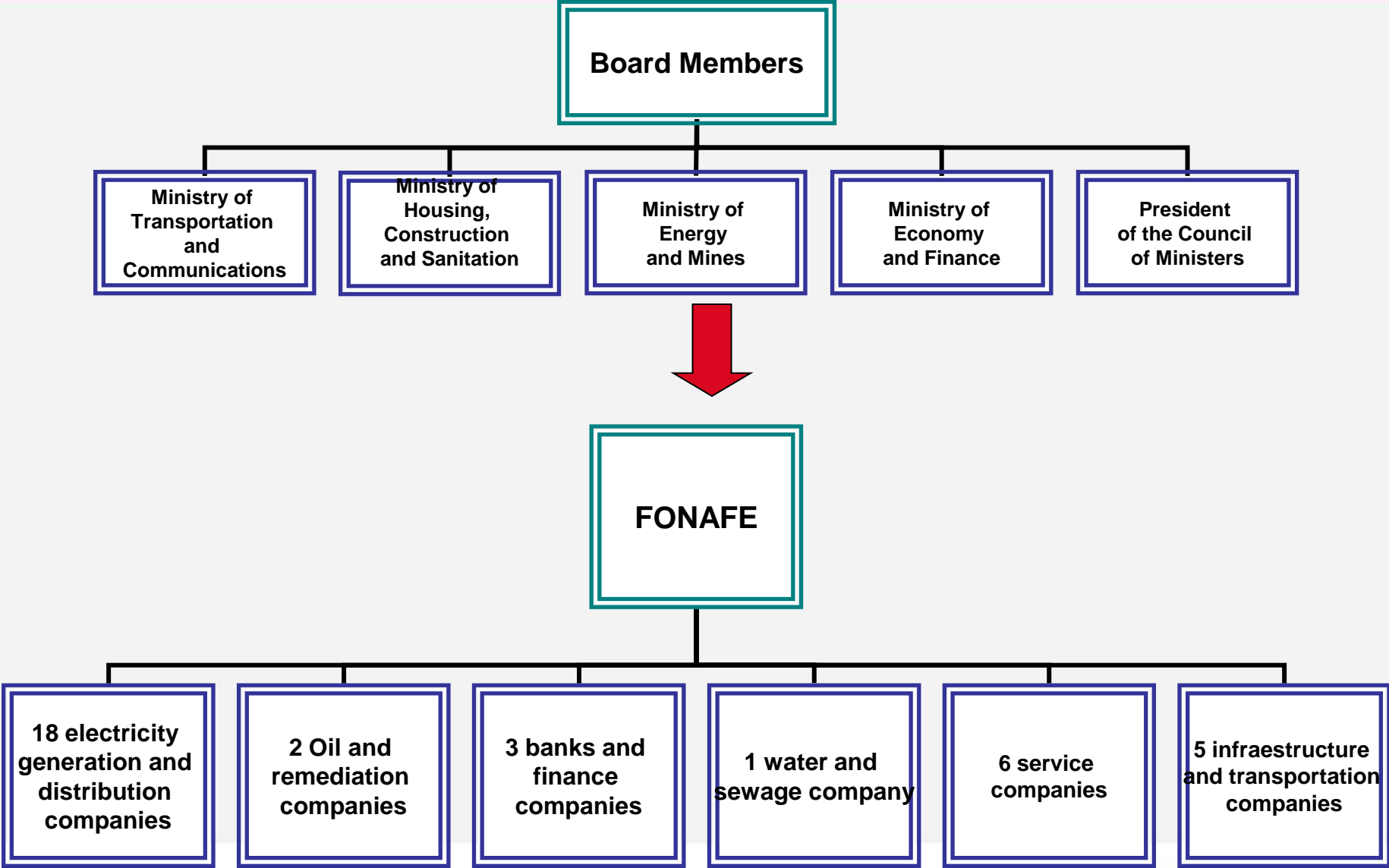


# TOWARD A CENTRAL OR COORDINATED OWNERSHIP UNIT

## FONAFE: THE EXPERIENCE OF THE PERUVIAN HOLDING

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Legal Manager  
March, 2010

# FONAFE: THE EXPERIENCE OF THE PERUVIAN HOLDING



## Mision

Promoting the efficiency of state enterprises under our scope, contributing to the welfare and development of our country.

## Vision

Being recognized as a model of state efficiency management.

## Principal Functions

- To exercise the rights and obligations of shares ownership of all the state companies.
- To approve the annual budget of our companies.
- To regulate and manage the business activity of the State.
- To manage the income generated from investment of our companies.

# Development of Good Corporate Governance practices in FONAFE



**Framework Code of Good  
Corporate Governance  
of State Enterprises  
Under the scope of  
FONAFE - 2005**

**Codes of  
Corporate Governance  
for different  
state companies  
(since 2005)**



## Benefits of Centralization : In the practice

### **Human Resources Area**

We have established certain level of requirements and qualities for Board candidates.

Top manager selection for our companies is conducted by a Head Hunter company.

### **Information Technologies**

Some systems have been developed to allow interconnection of the Holding companies, for example, the SEDI (System for Electronic Documentation Interchange). In addition, the Sharing Agreement Software allow our companies to share their in house developed software programs among them.

### **Social Responsibility**

FONAFE has developed a special programme among their companies to recycle used papers, cardboards, etc.

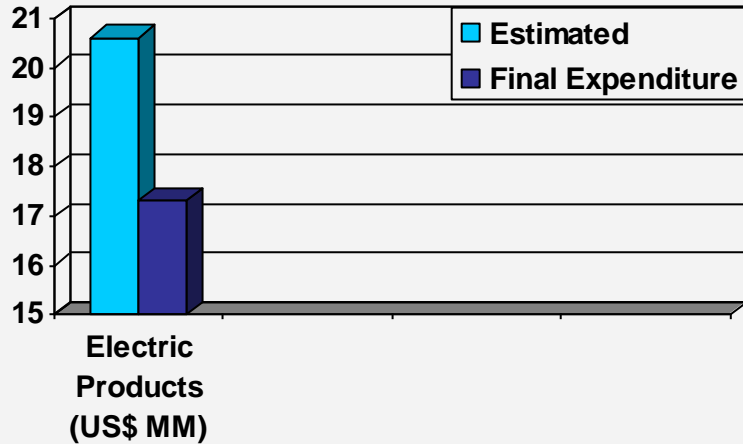
### **Investments**

For investment decision making we need to analyze financial viability

### **Transparency**

All of our companies has developed a quick answer on their respective web pages

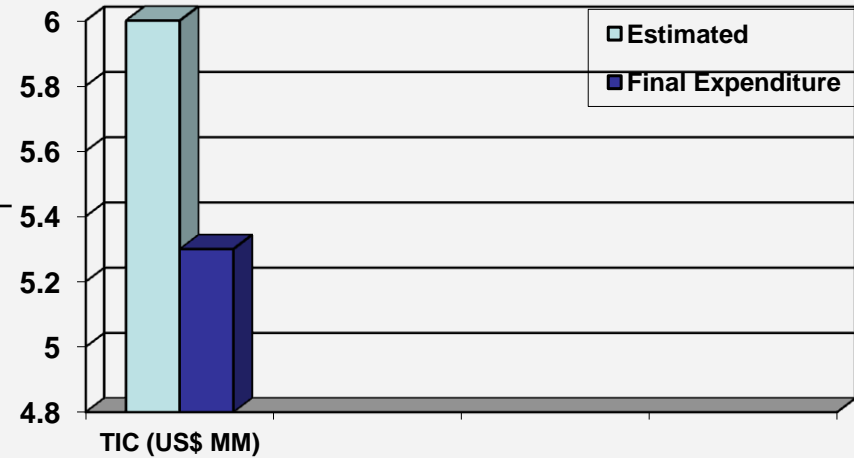
# FONAFE: THE EXPERIENCE OF THE PERUVIAN HOLDING: Corporate Purchases 2009



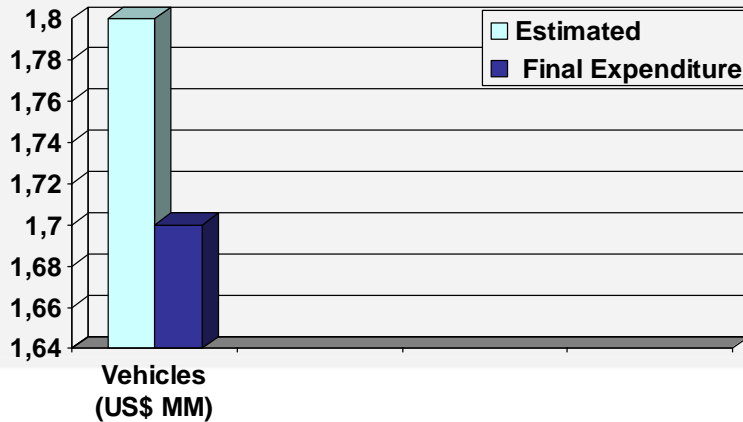
**Savings  
US\$ 700,000 approx.**



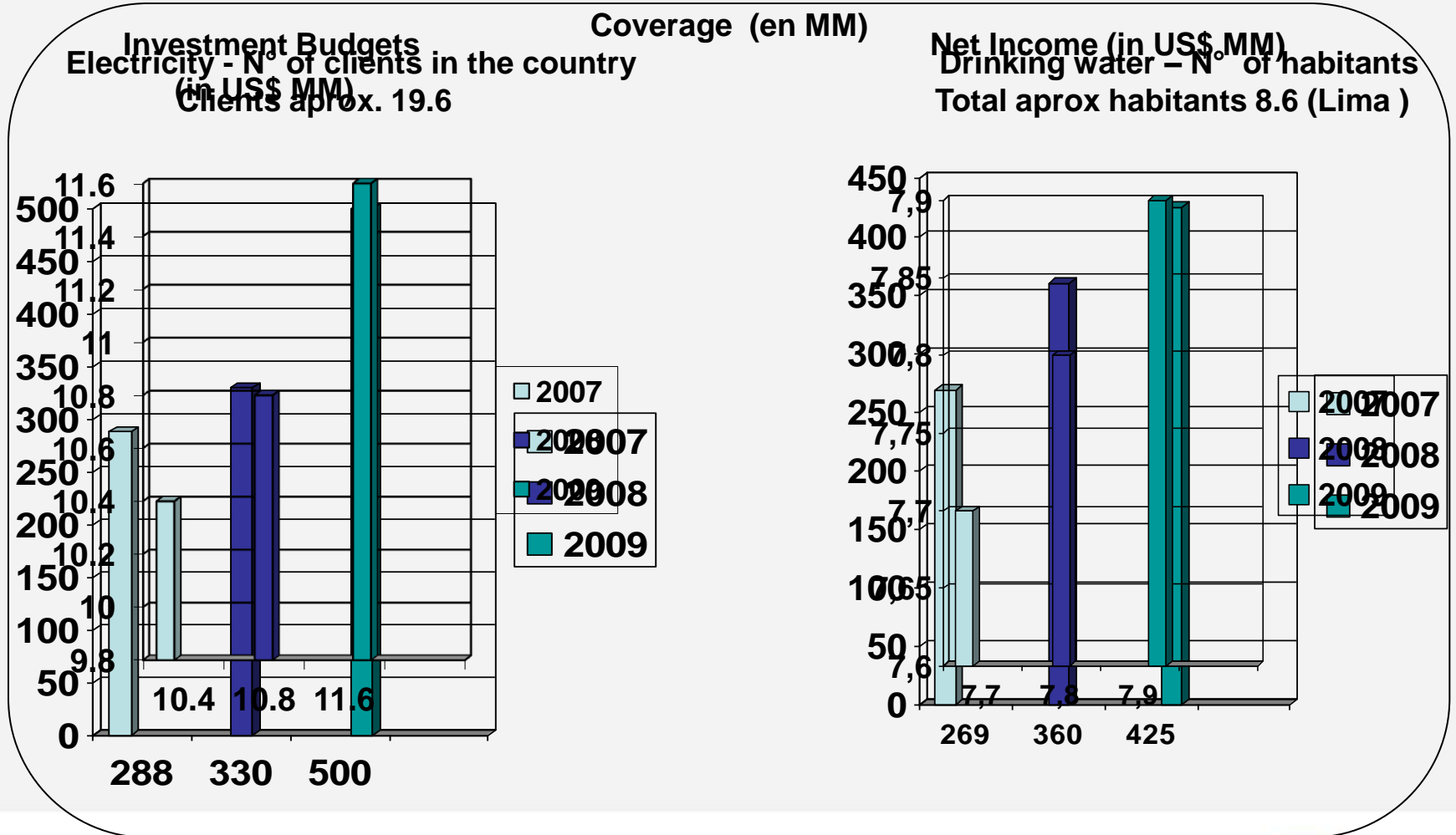
**Savings  
US\$ 3 MM approx.**



**Savings  
US\$ 30,000 approx.**




## Achievements 2009





## Main achievements of our companies

- Eight companies are listed in the peruvian stock exchange market. For the first semester, we are expecting to list three more.
- One of our financial companies – COFIDE – has obtained the investment grade, given by Standard & Poor's (BBB-/A-3 for foreign currency)
- Several of our companies has international certifications 
  - ISO 9001 : 2000 Quality management System: 9 companies
  - ISO 14001 Environmental management System : 5 companies
  - OHS A 18000 Labor Security and Health System: 3 companies
  - OHS A 18001 Labor Security and Health System: 2 companies
  - ISO 9001 : 2008 Quality management System: 1 company



## Centralized System : Influence factors

- Political Decentralization.
- Political pressure on decision making.
- Dependence of other sectors and entities.
- The exit of some firms from the Holding (Eg: Companies in Health, Energy and Economy Sectors)