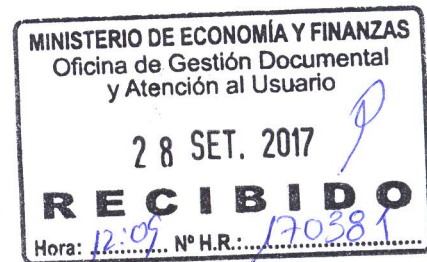




ABDA

ASOCIACIÓN DE BONISTAS DE LA DEUDA AGRARIA DEL PERÚ

Lima, September 27, 2017
Mrs.
CLAUDIA COOPER FORT
Minister of Economy and Finance
Jr. Junín 319, Cercado de Lima, Lima – Perú



Ref: Supreme Decree No 242-2017-EF | Agrarian Reform Bonds

Dear Minister,

Please accept our most respectful greetings. We wish you all the success as the new Minister of Economy and Finance.

ABDA (*Asociación de Bonistas de la Deuda Agraria del Perú*), which has more than 500 members across Peru, is one of the most representative associations of holders of Agrarian Reform Bonds.

Considering the critical situation concerning said bonds, we have conferred with another large association of bondholders, ADAEPRA (*Asociación de Agricultores Expropiados por Reforma Agraria*), and decided to take this opportunity to voice ABDA's institutional position with respect to Supreme Decree N° 242-2017-EF of August 19, 2017, containing procedures and a valuation formula to update the Agrarian Reform Bonds. We understand that our colleagues of ADAEPRA transmitted, or will transmit to you, a letter with content similar to this one.

Our position is that Supreme Decree N° 242-2017-EF is not a viable solution to deal with the payment of the Agrarian Reform Bonds debt, and ABDA rejects it for many reasons, including the following:

- Supreme Decree N° 242-2017-EF implements a valuation methodology that offers bondholders an insignificant and absurd amount – less than 1% of what they are entitled to according to the Consumer Price Index (“CPI”) – mainly because the parity exchange rate formula reflected in Supreme Decree N° 242 has no economic basis and has no relation to a true parity exchange rate.
- Supreme Decree N° 242-2017-EF implements an excessively long and bureaucratic process, which could lead to the Ministry determining that the amount to be paid is “not viable,” and thus payment could be avoided altogether.
- Supreme Decree N° 242-2017-EF is based on the illegal Constitutional Tribunal (“CT”) ruling of July 16, 2013 – in which a document was doctored to illegally fabricate the alleged dissenting opinion of Justice Carlos Mesía – through the use of white out – and thus unusually allow former Chief Justice Urviola to

