



Institutional Governance Code 2019

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I. MAIN GUIDELINES OF COMMUNICATION "A" 5201, AS SUPPLEMENTED, ISSUED BY THE ARGENTINE CENTRAL BANK (BCRA)

This Institutional Governance Code sets out the Bank's guidelines and governance policies in line with the provisions laid down in BCRA Communication "A" 5201, as supplemented -when appropriate, in view of the particular legal and institutional nature of Banco de la Provincia de Buenos Aires- and the legal and constitutional provisions currently in force.

I.1 Scope

Banco de la Provincia de Buenos Aires, as a state-owned Bank, is a self-administered public institution, the origins, guaranties and privileges of which are set forth in the Preamble and in Sections 31 and 121 of the National Constitution, in the National Law No. 1029 based on contractual matters and in the Provincial Constitution and laws.

As such, it is governed by a Charter approved under Provincial Law No. 9434/79 and by specific and legal rules on banking business and recognizes the commitment of the Board of Directors and the General Management, according to the powers specifically conferred on them, to carry out business and activities in the pursuit of the Bank's strategic goals:

- Set policies to comply with its institutional purposes;
- Ensure business compliance with security and solvency requirements, in line with prevailing laws and rules;
- Define the Bank's exposure to risks;
- Protect depositors' interests;
- Undertake a social role and assume the responsibilities specifically entrusted in the Bank's Charter before the Provincial Government;
- Engage in daily transactions.

I.2 Institutional Governance Code

I.2.1. Background

Banco de la Provincia de Buenos Aires' governing bodies have always strived to maintain and promote good governance following a set of standards, which has been adjusted according to the Bank's growth and the requirements of the whole financial system.

Thus, the Institution has made permanent efforts to standardize principles and rules by defining the structure, composition and responsibilities of its governing bodies, to govern the relationship among them and to secure their coordinated operation and the strong commitment towards the adoption of good governance, ethics and transparency practices.

I.2.2. Definition

The purpose of this Code is to describe the good governance practices and policies applicable to all the Bank's activities, especially those related to the management of all its businesses and risks, addressed to the Province of Buenos Aires, investors, depositors, customers and general public.

It includes the Board of Directors' outlook on the corporate governance policies set forth in BCRA Communication "A" 5201, as supplemented, and on the suitability of the regulations prevailing at the Bank to comply with those guidelines, the different regulatory and legal rules applicable to it and other issues specifically discussed herein.

However, this Institutional Governance Code is not intended to regulate all issues and situations that may arise in the ordinary course of the Bank's business so that, if necessary, its provisions shall be adjusted and construed accordingly in order to cover any unexpected situation not specifically contemplated herein.

I.3 Institutional Regulatory Framework. Relations Policies

This Code takes into account the regulatory framework prevailing at the Bank.

I.3.1. Charter

The text of the Charter was enacted by Decree Law No. 9434/79. It includes the amendments introduced by Decree Law No. 9840/82 and has been consolidated in accordance with Executive Order No. 9166/86. It also includes several amendments introduced by other provincial laws.

The Charter is the main Law governing the operations of the Bank. It consists of 15 chapters regulating the Bank's activities, transactions, functions and administrative and governance responsibilities.

I.3.2. National and Provincial Legal Rules

Documents having full force of law issued by national and provincial bodies which regulate the banking and financial activity taking into account the particular institutional and legal status of the Bank.

I.3.3. Internal Rules of Procedure

Internal rules issued by the Board of Directors which govern the Bank's activities and transactions.

I.3.4. Bylaws and Disciplinary Rules of Procedure

The Bylaws for Banco de la Provincia de Buenos Aires' Personnel outline the basic principles affecting the performance of the Bank's staff, as well as their rights and duties, and apply to all its salaried employees.

The Disciplinary Rules of Procedure apply to all its employees and specify the disciplinary actions –including expulsion measures– that may be imposed on them in the performance of their duties and in case of failure to comply with the Charter, the Bylaws and the Bank's rules and procedures.

Such legal and administrative rules are applicable to all businesses and activities carried out by Banco de la Provincia de Buenos Aires and are based on its corporate values, ethics and transparency principles. They are aimed at protecting the interests of the Bank, the Province of Buenos Aires, investors, depositors, customers and general public.

I.3.5. Ethics Code

Since 2012, Banco Provincia has an Ethics Code, the purpose of which is to define the principles and values that govern the activities of the Bank and its employees, thus encouraging diligence, transparency and authenticity of the information provided in relation to the services rendered. The Code states the professional conduct standards of the Bank.

I.3.6. Code of Conduct in the role as Comprehensive Settlement and Clearing Agent

Resolution of the Board of Directors No. 2/14 provided for the registration of the Bank with the National Securities Commission (*Comisión Nacional de Valores - CNV*) Registry of Agents as Comprehensive Settlement and Clearing Agent and Trading Agent.

Through Resolution No. 1463/14, the Bank approved its Code of Conduct in the role as Comprehensive Settlement and Clearing Agent in order to comply with CNV's regulations concerning the prevention, detection, control and sanction of practices against transparency, duty of loyalty and due diligence when dealing with investors and other Capital Markets' players. This document is available at the Bank's web site (Public Information).

I.3.7. Ethics Code of the Internal Audit Unit of Banco de la Provincia de Buenos Aires

In compliance with the adjustments introduced by BCRA Communication "A" 6434 and compiled into the "Minimum Rules on Internal Controls of the Financial Entities" consolidated text through its Communication "A" 6552, the Board of Directors, by Resolution No. 1538/18, recognized the Ethics Code of the Internal Audit Unit approved by the Audit Committee. This Code includes the conduct standards to be observed by the employees working in this unit, in addition to the prevailing internal rules governing the staff performance.

I.3.8. Anti-Money Laundering and Terrorist Financing Code of Conduct of Banco de la Provincia de Buenos Aires

In accordance with the requirement set forth in article 20 of the resolution No. 30-E/2017 issued by the Financial Information Unit (*Unidad de Información Financiera* - UIF), the Board of Directors approved the "Anti-Money Laundering and Terrorist Financing Code of Conduct of Banco de la Provincia de Buenos Aires". This Code is based on the anti-money laundering and terrorist financing policies, approved by Resolution No. 1308/12, which are subject to periodic reviews.

I.4 Relations Policies

I.4.1. Relations Policy with the Provincial Government

As stated in the Charter, the Bank is the financial agent for the Government of the Province of Buenos Aires. The Bank enjoys full autonomy and shall be exclusively administered by its Board of Directors.

The relationship between the Bank and the Provincial Executive Branch shall be held through the Ministry of Economy of the Province of Buenos Aires.

I.4.2. Relations Policy with the Superintendency and Regulatory Agencies

The relationship between the Bank and the regulatory entities is governed by means of measures and procedures approved by the Board of Directors and the General Management. In the latter case, according to instructions given by the Bank's Board of Directors.

I.4.3. Policies with Related Parties

The Bank complies with the reporting duties and provisions required from all financial institutions.

Transactions with related and controlled companies are booked and reported as stated in the "High credit risk exposure" rules and, in the case of controlled companies, as set forth in the "Consolidated Supervision" procedures.

The Unit 6: Loans, Part II, Chapter 7 of the Bank's Administrative Manual governs the transactions carried out with individuals or non-financial private sector companies related to the Bank. It describes the approved transactions that are admissible, their limits, operations involved as well as the sanctions applicable in case of failure to comply with the stated rules.

I.4.4. Policies with Suppliers

The Bank shall comply with the procurement regime stated in its own Procurement Regulations approved by the Board of Directors under Resolution No. 1077 dated September 13, 2018. Such regulations govern the Bank's procurement process and are based on the general principles of Reasonableness, Advertising and Communication, Free Participation, Equal Opportunity, Free Competition, Economy and Transparency.

I.4.5. Policies with Customers and Users

The Bank has multiple communication channels, such as its institutional web page www.bancoprovincia.com.ar, its branch network offering customized services, and alternative channels: Call Center, Twitter, Facebook, e-mail, ATM network, Banca Internet Provincia (online banking) and automated self-service banking terminals located at its business units.

I.5 Coordination and Supervision Structure

Good governance practices show the importance of the governing body, which rules the Institution and determines the structure and role of its management and monitoring units for the benefit of the entire Bank.

According to its Charter, the organizational structure of the Bank consists of a Board of Directors, the members of which are appointed by the Provincial Executive Branch with the approval of the Senate of the Province of Buenos Aires, as well as a General Manager and a Senior Deputy General Manager. The internal rules of procedure provide for the creation of

different Deputy General Managements and define their areas of responsibility.

GOVERNANCE STRUCTURE

President

Vice President

**Director Secretary
Directors
General Manager**

Deputy General Managers

FINANCE	MARKETING AND LOANS	ADMINISTRATION AND RESOURCES	BUSINESS DEVELOPMENT	TECHNOLOGY	COMMERCIAL NETWORK AND BUSINESS SUPPORT	LEGAL AFFAIRS AND INFRASTRUCTURE
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I.5.1. Board of Directors

The Bank’s Charter states that the administration of the Institution shall be vested in a Board of Directors consisting of one (1) Chairman and eight (8) voting members, all of whom shall be of Argentine nationality. They shall be appointed by the Provincial Executive Branch and the approval of the Senate of the Province of Buenos Aires shall be required. The Chairman and the voting members shall be duly qualified for their offices.

Members shall hold office for a term of four (4) years and may be re-elected. One half of the voting members shall be renewed every two (2) years.

Legislators, judges, mayors and city council members, wage-earners, salaried employees or officers of the national, provincial or municipal governments, as well as administrators, chairmen, directors, managers or employees from other banks shall not be eligible as Chairman or as members of the Board of Directors. Any individual holding office in any economic or financial coordination government agency, whether at the national, provincial or inter-provincial level, as well as any individual holding a teaching or educational position shall be exempted from the above-mentioned disqualifications.

At its first meeting held every year, the Board of Directors shall elect from its own number a Vice Chairman and a Secretary.

Any vacancy of the office of Chairman or Director shall be filled by a substitute appointed for the remaining term.

In case of absence or inability of the Chairman, his/her powers and duties shall devolve on the Vice Chairman. Should both of them be absent, the Board of Directors shall be chaired by the eldest director. In the event of absence or inability of the Secretary, the Board of Directors shall appoint a substitute.

Pursuant to the Charter, Article 26, the remuneration to be received by the members of the Board of Directors for their services shall be fixed in the Budget.

I.5.2. Chairman’s Office

The Charter, in its Article 27, determines the duties of the Chairman. Special mention should be made of the importance of subparagraph a) of this Article, which states as one of his/her duties: “To observe and enforce this Charter as well as the Bank’s rules and regulations, and to carry out the resolutions adopted by the Board of Directors”.

Further duties are detailed in other subparagraphs of this article, such as: to chair the Board of Directors' meetings (subparagraph b); to appoint, promote and transfer all of the Bank's officers and employees, except for the General Manager, the Senior Deputy General Manager and the Department Managers, who shall be appointed by the Board of Directors upon the Chairman’s proposal (subparagraph c); to represent the Bank (subparagraph d); to resolve any urgent matters of domestic concern (subparagraph i).

I.5.3. General Management

The Bank's Charter states that the management of the Bank shall be vested in a General Manager.

The Board of Directors shall regulate the duties to be performed by the members of the General Management, and the General Manager shall be the Chairman's and Directors' immediate advisor.

I.5.4. Conflicts of Interest

The Bank laid down guidelines to prevent the members of the Board of Directors and the General Management from taking certain decisions that might involve conflicts of interest.

II. ROLE OF THE BOARD OF DIRECTORS

II.1 Duties and Responsibilities

The Board of Directors shall meet at least twice (2) a week, with a "quorum" of five (5) members including the Chairman. Resolutions shall be adopted by the majority of votes and, in case of a tie, the Chairman shall have the casting vote.

The Bank's Charter specifies and rules the Board of Directors' duties and powers. Additionally, this body shall:

- Oversee the liquidity and solvency of the Bank.
- Safeguard strategic goals and organizational values.
- Approve the business global strategy and policy.
- Monitor the activities of the General Management and their consistency with defined policies.
- Train the members of the General Management for the implementation of risk management procedures, processes and controls.
- Assess and follow up (on an annual basis) risk management procedures, processes and controls.
- Monitor the Bank's risk profile.
- Avoid conflicts of interest.
- Devote the time and efforts necessary to comply with their duties.
- Update knowledge and expertise in line with the increasing size and complexity of the Bank.
- Promote the training and development of senior officers and members of the General Management through different programs.
- Review policies and supervise the achievement of goals, keeping regular communication with the General Management.
- Analyze the outcome arising from internal control monitoring.
- Encourage the good performance of the financial institution and understand the regulatory framework.
- Exercise due diligence in hiring external auditors and following up their work.
- Supervise the observance by the General Management of a proper and consistent implementation of policies as stated in Article 24 (subparagraph u) of the Bank's Charter.
- Approve, control and review the structure and performance of the staff remuneration and incentive system.
- Check the effective implementation of the recommendations made by internal and external auditors and the tasks inherent in the internal control system, pursuant to BCRA's Communication "A" 5201, Section 5.
- Be fully aware of the Bank's operating structure according to the provisions of BCRA's Communication "A" 5201, Section 7, paragraph 7.2.
- Monitor transactions carried out by the Bank's Offices, Business Units and Branches abroad.
- Supervise the quality of the information of Offices, Business Units and Branches abroad and their compliance with internal controls.

II.2 Independence

The members of the Board of Directors are appointed by the Provincial Executive Branch with the approval of the Senate of the Province of Buenos Aires. All the individuals mentioned in Article 19 of the Bank's Charter shall not be eligible as Chairman or as Directors.

II.3 Selection of Suppliers

In order to ensure that outsourcing does not affect neither the Bank's customers nor the security of transactions, the Board of Directors shall establish a policy to address these matters and the selection of suppliers. It shall also strive to reach agreements with suppliers that clearly state the rights and liabilities of the pertinent parties.

The Bank selects its suppliers through a procurement process in accordance with its Procurement Regulations. These regulations state that the selection and hiring of suppliers shall be grounded on technical, professional and ethical criteria and shall be carried out through predetermined processes.

II.4 Organizational Structure of the Board of Directors

The following officers and units shall report to the Board of Directors/Chairman:

- Internal Affairs
- Internal Audit Unit
- Compliance and Economic Research
- Institutional Communication
- Anti-Money Laundering
- "Doctor Arturo Jauretche" Historical Archives and Museum of the BPBA
- Administrative Unit
- Minutes Secretary's Office
- Strategic Management Unit

II.5 External Regulatory Framework

Upon taking office, directors are required to file personal information in the form of a sworn statement with the Bank's control authorities.

To be filed with the BCRA:

I. The "Financial Institutions' Authorities" consolidated text, which incorporates Communication "A" 6633, provides that the new authorities are subject to prior evaluation of personal background. To that end, the following documents shall be submitted:

- a) Personal background on the qualifications and expertise in financial matters and a sworn statement acknowledging that they do not fall within the scope of any of the disqualifications set forth in Section 10 of the Law of Financial Institutions, they are neither included in the resolutions on terrorist financing issued by the UIF nor in the watch lists produced by the United Nations Security Council, and they have not been convicted of money laundering and/or terrorist financing crimes. Sworn statements must also report any sanction imposed by the UIF or any disqualification, suspension, prohibition or revocation imposed by the BCRA, CNV and/or the National Insurance Superintendency (*Superintendencia de Seguros de la Nación - SSN*);
- b) Sworn statement on the condition of "Politically Exposed Person" subject to the guidelines set forth by the UIF;
- c) Certificate of absence of criminal records issued by the Registry of Offenders with Prior Convictions (*Registro Nacional de Reincidencia*) within 5 (five) business days prior to its submission to the BCRA;
- d) A special domicile must be informed to the BCRA with periodic updates throughout the performance of their management duties;
- e) Sworn statement acknowledging that they are not involved in gambling and betting activities and a report on any legal action brought against them, if appropriate;
- f) "Curriculum Vitae" detailing education and work experience.

The Board Resolution or Executive Order appointing the directors shall also be submitted.

Within 30 calendar days from the date of receipt of the requested personal background, the Central Bank's Board of Directors shall inform its decision. For such purpose, it will consider the opinion of the Qualification

and Expertise Committee, which will make the inquiries it may deem convenient. However, such term may be extended in case a decision could not be rendered. If the appointment is not objected, the Bank shall publish the "Curriculum Vitae" on its website. The pertinent director shall previously give its consent according to the prevailing legal and regulatory provisions on protection of personal data.

The required documents shall be sent in pdf format through the "Evaluation of Financial Institutions' Authorities" application and the original instruments shall be kept with the financial institution and be available to the Superintendency of Exchange and Financial Institutions (*Superintendencia de Entidades Financieras y Cambiarias* - SEFyC). The institution's legal representative shall indicate in a sworn statement that the proposed officer is qualified to hold office, has exercised all controls to make such statement, and that all documents electronically sent are a true copy of those kept with the institution and available to the SEFyC.

Within 5 calendar days, public and quasi-public financial institutions shall inform the full name, identity document and tax identification numbers of the new directors appointed on behalf of the State. Moreover, within 30 calendar days, they shall submit the minimum general information requested.

II. According to Communication "A" 6639 "High credit risk exposure", the Financial Entities located in the country shall provide to the Superintendency of Financial and Exchange Institutions a list of the Argentine or foreign companies or entities related to the directors or similar authorities.

The information disclosing the situation at June 30 and December 31 of each year must be submitted by July 31 and January 31, at the latest.

Moreover, they shall file an annual report of family relationships, spouse, and relatives up to the second degree of consanguinity or first grade of affinity, according to the form included as Annex V to the mentioned Communication.

They also commit themselves to inform of any change regarding the above within 5 (five) days of its occurrence.

III. In accordance with Communication "A" 5201 "Guidelines for corporate governance in financial institutions" and based on section 2.1.7 of the consolidated text, a self-assessment process shall be conducted in connection with the Board of Director's performance of duties as a governing body and each director's performance of duties. All Directors shall carry out this process on a confidential and annual basis. The Chairman will get and assess feedback, and render opinions to the Board of Directors, suggesting actions to be taken to improve the Bank's best practices.

To be filed with the CNV:

IV. Sworn Statement - Communication "A" 5248 (AML/TF)

The sworn statement shall state that they do not fall within the scope of any of the disqualifications set forth in section 10 of the Law of Financial Institutions and that they have neither been convicted of money laundering and/or terrorist financing crimes nor included in the terrorist/terrorist organizations watch lists produced by the United Nations Security Council.

V. Sworn Statement – Lack of legal qualifications

A sworn statement indicating the absence of legal qualifications detailed in Section 16, Chapter II, Title VII of the consolidated text of the CNV Resolution No. 622/13. The signature shall be certified by a Notary Public¹.

VI. Certificate of criminal records issued by the Registry of Offenders with Prior Convictions stating the existence or absence of a criminal record. Formal documents evidencing the appointment and containing data to be included in the personal file.

1. It is understood that own portfolio means transactions carried out by agents on their own account or on behalf of their controlled or controlling companies or those companies under common control within the same economic group, on behalf of the members of the pertinent governing or supervisory bodies, receivers, managers, partners, shareholders, employees, administrators, attorneys and representatives, and those directly and collaterally related to them up to a second degree of consanguinity or affinity, the spouse or any person evidencing a marriage-like relationship.

To be filed with the Province of Buenos Aires (PBA):

VII. Pursuant to Provincial Executive Order No. 116/16 dated February 29, 2016, directors are required to file a comprehensive sworn statement of personal assets within 30 (thirty) business days following their appointment or termination of office. Such sworn statement shall be annually updated at December 31 each year.

III. ROLE OF THE GENERAL MANAGEMENT

III.1 Duties and Responsibilities

According to the provisions of the Bank's Charter, the Board of Directors shall regulate the duties to be performed by the General Manager and the Senior Deputy General Manager, who shall be the Chairman's and Board of Directors' immediate advisors. In such capacity, they shall attend the meetings of the Board of Directors, when the latter so requires, being entitled to give their opinions but not to vote and to request that their opinions on any matter be recorded in the minutes of the meeting, whenever they deem so advisable.

The duties and responsibilities of the General Management are defined by the Board of Directors and are stated in the Bank's Administrative Manual. Such duties are the following:

- To implement the policies, proceedings, processes and controls necessary to manage risks and transactions on a prudential basis so as to meet the strategic goals fixed by the Board of Directors.
- To provide full, relevant and timely information to the Board of Directors so it may evaluate the effective fulfillment of the duties assigned.
- To monitor the activity of the managers of the different areas in line with the policies and proceedings implemented by the Board of Directors.
- To establish an effective internal control system according to the guidelines laid down by the Board of Directors.
- To assign staff duties according to the provisions of the Bank's Governing Rules.
- To foster the creation of a managerial structure with a strong emphasis on the assumption of duties.
- To effectively implement the recommendations of internal and external audits and the tasks inherent in the internal control system.
- To be acquainted with the operating structure of the Bank.
- To manage the different areas of the Bank taking into account the opinions of the pertinent Committees and Commissions.

III.2 Organization Structure of the General Management

The following areas shall report to the General Manager:

- Deputy General Management – Finance
- Deputy General Management – Marketing and Loans
- Deputy General Management – Business Development
- Deputy General Management – Risks
- Deputy General Management – Administration
- Deputy General Management – Processes and Technology
- Deputy General Management – Services and Operating Control
- Legal Opinions
- Human Resources
- Administrative and Professional Support Unit

III.3 External Regulatory Framework

Before taking office, the General Manager and Deputy General Managers are required to file personal information and data in the form of a sworn statement with the Bank's control authorities.

To be filed with the BCRA:

Upon taking office, the General Manager (or Deputy General Managers in case no General Manager is appointed) is required to file personal information and data in the form of a sworn statement with the Bank's control authorities, according to guidelines herein mentioned in section 11.5 (Communication "A" 4499 "Personal Background of Financial Institutions' Authorities" and "Evaluation of Financial Institutions' Authorities", as amended).

Both the General Manager and the Deputy General Managers are required to file a sworn statement pursuant to Communication "A" 2573 "Transactions with related customers".

With respect to the reporting regime related to the Personal Background of Financial Institutions' Authorities not only the General Manager (or Deputy General Managers in case no General Manager is appointed) must be reported but also the regular and alternate officers in charge of the generation and compliance with the reporting regimes.

To be filed with CNV:

I. Sworn Statement - Communication "A" 5248 (AML/TF)

The sworn statement shall state that they do not fall within the scope of any of the qualifications set forth in section 10 of the Law of Financial Institutions and that they have neither been convicted of money laundering and/or terrorist financing crimes nor included in the terrorist/terrorist organizations watch lists produced by the United Nations Security Council.

II. Sworn Statement – Lack of legal qualifications

A sworn statement indicating the absence of legal qualifications detailed in Section 16, Chapter II, Title VII of the consolidated text of the CNV Resolution No. 622/13. The signature shall be certified by a Notary Public².

III. Certificate of criminal records issued by the Registry of Offenders with Prior Convictions stating the existence or absence of a criminal record. Formal documents evidencing the appointment and containing to be included in the personal file.

To be filed with the PBA:

IV. Pursuant to Provincial Executive Order No. 116/16 dated February 29, 2016, the General Manager and the Deputy General Managers are required to file a comprehensive sworn statement of personal assets within 30 (thirty) business days following their appointment or termination of office. Such sworn statement shall be annually updated at December 31 each year.

IV. COMMISSIONS AND COMMITTEES

By Resolution No. 262/16, the Bank approved the Internal Rules of Procedure of the Board of Directors' Commissions and Committees. Such rules provide for the operation of such Commissions and Committees as well as the duties and responsibilities of their members.

Definitions

Commission or Committee: special body created to ease the Board of Director's compliance with their duties. Its purpose is to analyze, render an opinion and submit for consideration of the Board of Directors all matters related to its specific area/s of responsibility, ensuring full compliance with the current internal rules as well as with the regulations issued by the regulatory authorities.

Composition:

2. It is understood that own portfolio means transactions carried out by agents on their own account or on behalf of their controlled or controlling companies or those companies under common control within the same economic group, on behalf of the members of the pertinent governing or supervisory bodies, receivers, managers, partners, shareholders, employees, administrators, attorneys and representatives, and those directly and collaterally related to them up to a second degree of consanguinity or affinity, the spouse or any person evidencing a marriage-like relationship.

Coordinator: A Director appointed by the Chairman of the Board of Directors.

Members:

- At least 3 (three) Directors or voting members, including the Coordinator, appointed by the Chairman.
- Members of the General Management (General Manager, Senior Deputy General Manager or Deputy General Managers) in charge of supervising the pertinent commission or committee's areas of responsibility.
- Officers in charge of the units engaged in the activities under the responsibility of the pertinent commission or committee (minimum rank: Deputy Department Manager).
- Board of Directors' officers and collaborators may attend as participants, if necessary.

Functions

General Guidelines:

- Commissions and committees shall meet at the agreed frequency. However, specific meeting dates may be scheduled where urgency so requires.
- At least two of the Directors who make up the commission or committee must be present at the meeting. In case of absence of the regular Directors and in order to avoid delays in the analysis of the pertinent issues, his/her powers may devolve on other members of the Board of Directors provided that such participation does not affect the independence of the issues under analysis.
- Issues and/or projects submitted to the pertinent commission for further treatment of the Board of Directors shall be classified into:
 - Issues to be addressed on a regular basis: they shall be analyzed by the commission and may be submitted for consideration of the Board of Directors at the second subsequent meeting.
 - Issues to be addressed on an urgent basis: they shall be analyzed by the commission and may be submitted for consideration of the Board of Directors at the subsequent meeting. Such issues or projects shall be accompanied by a brief written statement signed by the reporting officer justifying the urgent nature of the matter.
 - Issues to be addressed on a medium term basis: they shall be analyzed by the commission and may be submitted for consideration of the Board of Directors at the third subsequent meeting. They refer to general policies, researches and projects, the consideration of which by the Board of Directors may be postponed.

The issues submitted to the commission shall contain a legible seal specifying their classification.

In all cases, the members of the commission may immediately submit the issue for the consideration of the Board of Directors, if they deem convenient.

- Without prejudice to the preceding provisions, once the projects and issues have been prepared by the relevant officers, they shall be classified and promptly submitted to the pertinent commission. Wherever possible, urgent issues shall be submitted to the commission with sufficient time in advance.
- Notwithstanding the foregoing, each commission or committee may establish their own Internal Rules of Procedure and adopt them to meet their needs, always complying with the general guidelines herein described and the regulatory authorities' rules, if applicable.

Duties and Responsibilities:

Coordinator:

- To determine the frequency or fix the date, time and place of the meeting.
- To set an agenda for each meeting.
- To chair the commission's or committee's meetings.
- To control and sign the documents prepared by the pertinent commission or committee.
- To control that matters under the responsibility of the pertinent commission or committee, included in the agenda of the Board of Directors' meeting, are properly addressed and an opinion is duly rendered by the

commission or committee under his/her chairmanship, ensuring their availability as far in advance of the Board of Directors' meeting as possible.

Member of the General Management and Deputy General Managements:

- To reach a consensus with the organizational units under their supervision on the matters to be proposed for discussion by the pertinent commission or committee, submitting them for consideration of the Coordinator.
- To recommend the meeting frequency, date and time to the Coordinator.
- To control that matters to be addressed by the pertinent commission or committee are sufficiently grounded so as to facilitate the rendering of an opinion; to classify them and stamp the corresponding seal.
- To give an opinion on the matters addressed at the meetings.
- To provide the commission or committee with sufficient information on each matter under analysis.
- To sign the commission's or committee's minutes, if applicable.

Managers, Deputy Department Managers and Officers in charge of the organizational units constituting the pertinent commission or committee:

- To submit a proposal on the matters to be discussed at the pertinent commission's or committee's meetings to the member of the General Management entrusted with their supervision.
- To draft executive reports and similar documents on the issues to be addressed at each meeting so as to ease the decision-making process. Far enough in advance, they shall deliver such reports/documents to the Secretary of the commission or directly to the members of the commission or committee to permit meaningful review.
- To answer any queries on the issues under consideration.
- To examine the wording of abridged minutes and reports.
- To sign the minutes, if applicable.

Secretary: If deemed convenient, the Chairman may appoint a secretary so as to facilitate better coordination between the commissions/committees and the Board of Directors.

The Bank provides for the operation of the following Commissions and Committees:

IV.1 Audit Committee

Purpose:

To oversee the proper performance of the internal control systems defined by the Board of Directors, the individual and corporate risk management, the compliance with the rules set forth by the Bank and the Argentine Central Bank, as well as the actions taken for implementing the recommendations made by the internal and external auditors and regulatory authorities.

Duties and Responsibilities:

1. To be informed of the Bank's strategic goals and main risks, monitoring the implementation of risk administration policies.
2. To review and approve the annual working plan of the Internal Audit Unit, as well as the level of compliance with such plan.
3. To review the reports issued by the internal auditors.
4. To issue an opinion on the proposals for the appointment or removal of external auditors, as well as their hiring conditions.
5. To follow up the actions taken for implementing the recommendations made by the internal and external auditors and regulatory authorities, ensuring the observance of such recommendations and the application of the corrective measures implemented by the General Management to minimize or cure the internal control weaknesses.
6. To coordinate internal and external control activities (Internal Audit Unit, External Audits, Superintendency of Financial and Exchange Institutions, etc.).
7. To propose the participation of the Committee's members in training programs to optimize their performance.

8. To be acquainted with the action plan of external auditors and with the annual and quarterly financial statements, the pertinent external auditor's reports and any other applicable accounting information.
9. To maintain a permanent communication with the officers of the Superintendency of Financial and Exchange Institutions in charge of the Bank's control, so as to learn about their concerns and the problems identified during the inspections conducted in the Bank.
10. To issue an opinion on the effectiveness of the internal control system implemented by the Bank and inform the Board of Directors accordingly.
11. To regularly control compliance with the independence rules applicable to external auditors.
12. To monitor any transaction that may give rise to a conflict of interest. To assess the services provided by external auditors and their independence in accordance with the rules applicable to their duties.
13. To analyze the fees charged by external auditors for their services.
14. To take part in those activities specifically entrusted to this Committee by the Board of Directors and the regulatory authorities, performing duties as provided by the regulations in force.

Composition:

3 Directors and the Officer in charge of the Internal Audit Unit.

Participants:

The Commercial Network and Business Support Deputy General Management and the following areas: Compliance and Economic Research, Regulatory Compliance, Accounting, Processes and Organization and Risk Administration.

IV.2 Administration Commission

Purpose:

To consider proposals related to direct purchases and the acquisition of goods, services and works through a bidding process as established in the Procurement Regulations of Banco de la Provincia de Buenos Aires.

Duties and Responsibilities:

1. To render a first instance opinion on the approval of direct purchases and calls for bids to be submitted for consideration of the Board of Directors.
2. To be informed, on a quarterly basis, about the procurements approved under the provisions of Section 17.2.h) of the above-mentioned regulations.
3. To be acquainted with the Bank's annual Plan for the Acquisition of goods, supplies and services and its Works Plan prior to their approval by the Board of Directors.
4. To render a first instance opinion on issues under its responsibility, for further consideration of the Board of Directors.
5. To be informed, on a quarterly basis, about any requests for updating prices and amounts agreed upon in direct purchases and public bids.

Composition:

5 Directors, the Administration and Resources Deputy General Management, the Legal Affairs and Infrastructure Deputy General Management, and the following areas: Administration and Legal Opinions.

IV.3 Assets and Liabilities Management Committee

Purpose:

To follow up the Bank's Projections and Business Plan, and verify compliance with the strategic goals set by the Board of Directors. To participate in the definition of policies involving the determination of yield and lending interest rates applicable to the different products offered by the Bank.

Duties and Responsibilities:

1. To review and present for consideration of the Board of Directors, the Projections and Business Plan and the Regularization and Reorganization Plan to be submitted to the BCRA.
2. To periodically evaluate the degree of compliance with the Projections and Business Plan, analyze any identified deviations and propose the actions and adjustments that may be deemed convenient.
3. To examine the standards for the determination of yield and lending interest rates applicable to the Bank's loan facilities, for further consideration by the Board of Directors.
4. To be informed of the yield and spread of the Bank's main assets and loan facilities, cutoff rate and funding cost.
5. To review and render an opinion about the compliance with the goals set by the Board of Directors as regards the Bank's ranking in the overall financial system.
6. To verify the compliance with the duties imposed and regulations issued by the regulatory authorities.
7. To render a first instance opinion on issues under its responsibility, for further consideration of the Board of Directors.

Composition:

3 Directors, the General Management, the Marketing and Loans Deputy General Management, the Business Development Deputy General Management, the Finance Deputy General Management, and the following areas: Compliance and Economic Research, Financial Business, Financial Policy and Projections, Capital Markets, Accounting, Risk Administration, Management Control and Planning.

IV.4 Loans Management Commission

Purpose:

To determine, according to its powers, the credit rating applicable to the Bank's customers.

Duties and Responsibilities:

1. To set credit margins by overall amount and/or loan facilities to natural and/or artificial persons subject to the conditions, rules and lending powers established by the Board of Directors and the applicable regulations in force.
2. To decide on the extension, rescheduling and/or readjustment of the financing structures submitted to its consideration. To render an opinion or reach a decision, according to its powers, on early rehabilitation requests.
3. To fix the signature of its members on the resolutions adopted on all matters under its responsibility that may be submitted for its consideration.
4. To define the activities to be carried out by the Loans Committees.

Composition:

5 Directors, the General Manager, the Marketing and Loans Deputy General Management, and the following areas: Institutional Banking, Corporate Banking, SME Banking, Agricultural Banking, Foreign Trade, Commercial Network and Credit Analysis.

IV.5 Anti-Money Laundering Committee

Purpose:

To assess the compliance with prevailing regulations concerning anti- money laundering and the pertinent policies and goals set forth by the Board of Directors.

Duties and Responsibilities:

1. To follow up compliance with the policies set forth by the Board of Directors, and periodically deliver reports, as requested.
2. To analyze the reported unusual or suspicious transactions and decide, if necessary, which of them must be informed to the Superintendency of Financial and Exchange Institutions of the BCRA or to the Financial Information Unit.
3. To render a first instance opinion on issues to be submitted for consideration of the Board of Directors.
4. To consider and approve the Procedure Manual, and any updates thereof, in order to prevent and identify unusual or suspicious transactions, devising hierarchical control systems.
5. To follow up staff training activities on AML and promote their continuity and updating.
6. To ensure an external audit of the institutional anti-money laundering programs.

Composition:

3 Directors, the Legal Affairs and Infrastructure Deputy General Management, the Finance Deputy General Management, the Commercial Network and Business Support Deputy General Management, and the following areas: Anti-Money Laundering and Commercial Network.

IV.6 Internal Affairs Commission

Purpose:

To evaluate proposals for the resolution of internal cases both in the disciplinary and financial fields, when the pertinent rules or the distinctive features of the issue require the Board of Directors' approval.

Duties and Responsibilities:

1. To ensure regulatory compliance with the provisions of the Bank's Charter, Bylaws and Disciplinary Rules of Procedure for Personnel and with the policies on disciplinary measures set forth by the Board of Directors.
2. To render a first instance opinion on issues under its responsibility, for further consideration of the Board of Directors.
3. To provide the General Manager with information so as to prevent the occurrence of any malicious or fraudulent acts detrimental to the Bank.
4. To propose amendments to the disciplinary rules in force.

Composition:

4 Directors, the General Management, the Legal Affairs and Infrastructure Deputy General Management and the Internal Affairs area.

IV.7 Legal Affairs and Delinquency Commission

Purpose:

To assess and give an opinion about payment proposals, administrative executions, legal matters, hiring and performance of independent law firms and collection agencies, operative proposals to enhance management and recovery policies on the delinquent loan portfolio that must be submitted for approval to the Board of Directors.

Duties and Responsibilities:

1. To decide on the extensions, rescheduling and/or readjustment of the financing structures and delinquent debts submitted to its consideration.
2. To ensure compliance with the policies set forth by the Board of Directors on management of delinquent debts, at any stage whatsoever.
3. To give an opinion on the hiring of collection agencies to pursue the extrajudicial payment of delinquent debts as well as on other related matters.

4. To render an opinion on the hiring of external lawyers and law firms to pursue the judicial recovery of delinquent debts as well as on the fees to be paid and other related matters.
5. To be acquainted with the removal of inefficient collection agencies unable to manage early delinquency and with the grounds of the decision taken.
6. To submit for consideration of the Board of Directors, together with its opinion, the policies, rules and methodologies for the recovery of loans at any stage whatsoever.
7. To be acquainted with, and give an opinion on, the reports submitted for its consideration regarding loan recovery management and regulatory compliance.
8. To render a first instance opinion on issues to be submitted for consideration of the Board of Directors.

Composition:

3 Directors, the Legal Affairs and Infrastructure Deputy General Management, the Commercial Network and Business Support Deputy General Management, and the following areas: Debt Recovery and Legal Affairs.

IV.8 Staff Incentive Committee

Purpose:

To control the structure of the staff economic incentive system and its implementation, ensuring their consistency with the Bank's purposes.

Duties and Responsibilities:

1. To review and ensure that economic incentive programs for staff are consistent with the goals, long-term businesses, strategy and condition of the Bank.
2. To propose variable compensation plans, according to the Bank's strategy and targets.
3. To evaluate the Bank's practices on incentives when they relate to future income of uncertain nature, controlling their consistency with the Bank's financial condition.
4. To ensure that the economic incentive policy for staff complies with the pertinent provisions set forth by the regulatory authorities.
5. To work with the Risk Committee in the assessment of stimuli derived from the staff economic incentive system.
6. To annually revise the staff economic incentive system, taking the actions necessary for its implementation.

Composition:

The Chairman's Office, Directors, the Administration and Resources Deputy General Management, and the following areas: Human Resources and Risk Administration.

IV.9 IT and Systems Committee

Purpose:

To give institutional treatment to policies and strategies on information technology, information systems, IT security measures and related resources, implement them and monitor their compliance with the rules set forth by the regulatory authorities.

Duties and Responsibilities:

1. To ensure compliance with the policies set forth by the Board of Directors, mainly those related to information technology, security and management of risks inherent in information systems and technology (IS&T).
2. To approve the IS&T and the Information Asset Protection Strategic Plans and make the pertinent comments with regard to their nature, scope and timeliness, for further approval by the Board of Directors.
3. To approve the annual Operative Working Plans that include the actions to be performed to implement the

IS&T and the Information Asset Protection Strategic Plans.

4. To assess, from time to time, the degree of compliance with the IS&T and the Information Asset Protection Strategic Plans, identify deviations, propose the amendments it may deem necessary to the Board of Directors, or instruct on the implementation of adjustments to the relevant operative plans.
5. To monitor the appropriate operation of the Information Technology environment and the information asset security, and improve their efficiency.
6. To approve the policies oriented to protect information assets and comply with the pertinent strategic model.
7. To authorize access to the Bank's data and information and analyze privacy and security aspects when the requests are not within the scope of the approved policies.
8. To request the participation of officers, experts or professionals, where it deems necessary according to the matters at issue.
9. To render a first instance opinion on issues under its responsibility, for further consideration of the Board of Directors.
10. To review the audit reports on the IS&T and the information asset protection areas and ensure the General Management's implementation of corrective measures oriented to regularize or minimize the identified weaknesses.
11. To verify compliance with the rules issued by the pertinent authorities.
12. To be in contact with officers from the IT External Audit Management of the Superintendency of Financial and Foreign Exchange Institutions of the BCRA with relation to the problems identified in the Bank's procedures and the monitoring of the actions taken for their solution.

Composition:

4 Directors, the Technology Deputy General Management, the Administration and Resources Deputy General Management, the Commercial Network and Business Support Deputy General Management, and the following areas: Information Systems, Processes and Organization, Protection of Information Assets and Risk Administration.

IV.10 Finance Commission

Purpose:

To formulate the Bank's financial strategy, control the evolution of the different financial positions and analyze the transactions to be submitted to the Board of Directors for approval within the framework of the applicable rules, policies and limits.

Duties and Responsibilities:

1. To follow up and control the Bank's liquidity position, review estimates, check their consistency with the new local and international capital markets scenario, and verify compliance with the Commission's strategies and policies.
2. To be acquainted with the financial and capital markets transactions completed and submit them for consideration of the Board of Directors, if necessary.
3. To follow up the implementation and execution of the strategy and policies approved by the Board of Directors with relation to the deposit-taking activity and the diversification of the Bank's funding sources.
4. To evaluate the measures related to interest rate, liquidity, currency and maturity mismatches in order to maximize the Bank's financial and Exchange results under the applicable rules.
5. To review investment strategies, from time to time, and analyze policies and any exceptions thereto.
6. To be acquainted with the Bank's loan exposure to foreign institutions and inform the Board of Directors where the prevailing loan limits are exceeded.
7. To analyze, from a financial point of view, the Bank's businesses in terms of raising and placing financial resources, and instruct the pertinent area to carry out the necessary actions to correct deviations or implement additional measures, if necessary.
8. To be informed of the rating reports issued by the Risk Rating Agencies.
9. To give an opinion, where appropriate, on the information regarding the matters under its responsibility to be submitted to the regulatory authorities.
10. To ensure compliance with the technical requirements and rules set forth by the regulatory authorities.

11. To render a first instance opinion on issues under its responsibility, for further consideration of the Board of Directors.

Composition:

5 Directors, the General Management, the Finance Deputy General Management, the Marketing and Loans Deputy General Management, the Business Development Deputy General Management, and the following areas: Financial Business, Financial Policy and Projections, Capital Markets, Compliance and Economic Research and Risk Administration.

IV.11 Risks Committee

Purpose:

To analyze institutional policies, strategies and procedures for managing the Bank's risks pursuant to prevailing regulations and best practices, ensuring their correct implementation and compliance.

Duties and Responsibilities:

1. To submit to the Board of Directors for its approval the policies, strategies and procedures for the integral management of the Bank's risks as well as the contingency plan, and monitor compliance with the rules set forth by the regulatory authorities.
2. To follow up the implementation and execution of the strategy and policies approved by the Board of Directors, in order to improve risk management efficiency.
3. To assess the periodic reviews of the integrated risk management system –including the organizational structure–, submitting to the Board of Directors the improvement proposals as the Committee may deem appropriate.
4. To review the Bank's risk tolerance levels and submit them for consideration of the Board of Directors.
5. To submit to the Board of Directors, for its consideration, the proposal related to the functionality parameters for the scoring and rating systems, drafted with the participation of the pertinent credit sectors.
6. To approve the Annual Working Plan, that includes the measures required to carry out the risk management process.
7. To ensure that the Bank has technically qualified personnel as well as adequate resources to manage risk.
8. To be informed about reports on the Bank's risk exposure, situation or event that may affect the achievement of the institutional goals. To report the Bank's risk exposure position and the most significant losses, if applicable, to the Board of Directors, at least on a semi-annual basis; and recommend actions whenever risks may substantially affect the Bank's business activity.
9. To analyze reports on the expected effects derived from the creation or development of products and services, as well as from the implementation or changes in the Bank's current processes and systems.
10. To approve internal communication and risk management training programs for all staff members, and determine the kind and frequency of disclosures on risk exposure.
11. To submit policies and programs related to risk management disclosure to third parties to be considered by the Board of Directors.
12. To render an opinion, if appropriate, on issues under its responsibility, to be submitted to the Argentine Central Bank.
13. To submit for consideration of the Board of Directors exceptions to policies and restrictions involving a significant deviation.
14. To be aware of risk management audit reports and follow up the timely adoption of corrective measures.

Composition:

3 Directors, the General Management, the Marketing and Loans Deputy General Management, the Business Development Deputy General Management, the Finance Deputy General Management, and the following areas: Compliance and Economic Research, Risk Administration, Regulatory Compliance and Processes and Organization.

IV.12 Institutional Governance, Ethics and Compliance Committee

Purpose:

To review and recommend the approval, if applicable, of institutional governance, ethics and compliance policies and of the systems that ensure that the Bank has the adequate tools for appropriate decision-making and compliance with internal and external regulations.

Duties and Responsibilities:

1. To propose to the Board of Directors the Bank's strategic targets in terms of institutional governance, ethics and compliance and the policies suitable for their achievement.
2. To submit to the Board of Directors for its approval the Institutional Governance Code and any amendments thereto.
3. To ensure that the Institutional Governance Code is applied and observed throughout the Bank, reporting to the Board of Directors its due compliance and any deviations occurred.
4. To guarantee that the Bank's activities comply with the security and soundness requirements, the Bank's Charter and other prevailing laws and standards.
5. To oversee that the preparation and updating of the Ethics Code are consistent with the business and professional conduct standards of the Bank, for further submission to the Board of Directors.
6. To propose the updating of the Institutional Governance Code and related regulations.
7. To be aware of any behavior that constitutes a significant departure from the Ethics Code and the Institutional Governance Code, coordinating the execution of action plans for proper consideration and regularization.
8. To promote compliance with the "Transparency Policy", ensuring the clear disclosure of information on appropriate institutional governance.

Composition:

3 Directors, the General Management, the Administration and Resources Deputy General Management, the Technology Deputy General Management, the Commercial Network and Business Support Deputy General Management, the Legal Affairs and Infrastructure Deputy General Management, and the following areas: Compliance and Economic Research and Regulatory Compliance.

IV.13 Business Development Committee

Purpose:

To analyze commercial strategies and policies oriented to carry out the institutional goals set by the Board of Directors.

Duties and Responsibilities:

1. To propose adjustments to the commercial and credit rules related to the products and services portfolio.
2. To be informed of the deviations from the goals set in the Operative Business Plan and report the corrective measures implemented for their regularization.
3. To render an opinion on development or amendment proposals concerning loan facilities, products and services.
4. To examine the fees and commissions charged to the Bank's products and services and check their consistency with the institutional financial policy and business strategy.
5. To give an opinion on the proposed promotion programs and advertising channels.
6. To evaluate and render an opinion on the actions, agreements and arrangements oriented to strengthen commercial capacity and provide financing to the different economic sectors, as well as on those related to means of payment and technological solutions for the Bank's electronic channels.
7. To devise the implementation of reports, forms and dashboards that may contribute to the decision taking process and monitor their performance.
8. To submit for consideration of the Board of Directors, together with its opinion, any changes in the Sustainability and Quality Policy and follow up their implementation and compliance.

Composition:

4 Directors, the General Management, the Marketing and Loans Deputy General Management, the Business Development Deputy General Management, the Finance Deputy General Management, the Technology Deputy General Management, the Legal Affairs and Infrastructure Deputy General Management, and the following areas: Institutional Communication, Risk Administration, Processes and Organization, Commercial Network, Business Support and Legal Opinions.

IV.14 Protection of Financial Services Users Committee

Purpose:

To give an institutional treatment to the Bank's activities in compliance with the regulations concerning the protection of financial services users and public interest rules protecting consumers' and users' rights.

Duties and Responsibilities:

1. To analyze difficulties derived from the relationship with customers and third parties pursuant to the pertinent protection rules of the BCRA and approve common criteria for their resolution.
2. To introduce measures aimed at avoiding conflicts with the Bank's financial services users and take actions to preserve the Entity's image.
3. To consider proposals for the creation and development of products and services, taking into account the financial services users' rights in line with the prevailing regulations.
4. To submit, for the consideration of the Board of Directors, proposals to amend the mechanisms for resolving conflicts from customers' or third parties' claims, establishing refund and compensation thresholds and guidelines, if applicable, as well as from its own activities.
5. To monitor the performance of the processes related to the protection of financial services users, pursuant to the pertinent standards issued by the regulatory authorities.
6. To submit for the consideration of the Board of Directors, together with its opinion, a proposal appointing the officers who will be in charge of the Financial Services Users Unit.
7. To evaluate the regular reports produced by officers in charge of the Bank's Financial Services Users Unit, approve the pertinent corrective measures and monitor their compliance.
8. To consider the reports issued by internal and external auditors and the recommendations made by the regulatory authorities related to the protection of financial services users, and follow up the regularization of detected weaknesses.
9. To review and update the internal rules on the protection of financial services users.
10. To supervise compliance with the reporting requirements on the protection of financial services users issued by the regulatory authorities.
11. To report, at least on a quarterly basis, the advances made on the protection of financial services users to the Board of Directors.

Composition:

2 Directors, the Legal Affairs and Infrastructure Deputy General Management, the Commercial Network and Business Support Deputy General Management, and the following areas: Marketing, Channels, Commercial Network, Risk Administration, Business Support, Processes and Organization, Regulatory Compliance, Institutional Communication, Legal Affairs and Legal Opinions.

IV. 15 Channels Committee

Purpose:

To consider issues related to the localization and rendering of services by the commercial network as well as other matters that may affect its efficiency and evaluate the development of the Bank's channels.

Duties and Responsibilities:

1. To propose the analysis of old pending items and other accounting items qualifying for an exceptional

treatment related to the activities of the commercial network.

2. To submit for consideration of the Board of Directors, together with its opinion, a proposal to update the classification of business units.
3. To evaluate proposals for changing transaction authorization limits and business units processes that may impact on the Bank's risk exposure.
4. To analyze proposals to develop or modify channels.
5. To be acquainted with the advances on the physical location of business units, automated devices, mobile banks, safety deposit boxes and customer services points, as instructed by the Board of Directors.

Composition:

The Commercial Network and Business Support Deputy General Management, and the following areas: Commercial Network, Channels and Processes and Organization.

V. INTERNAL AND EXTERNAL AUDITS. INTERNAL CONTROLS. SUPERVISION AND SUPERINTENDENCY

The Board of Directors requires that internal and external audits be not carried out by the same professionals so as to maintain the independence and impartiality of both roles.

The Auditing Committee coordinates the internal and external audits. It monitors task fulfillment every three months by means of reports on the progress of the annual working plan approved for the internal audit, and through special and limited examination reports in the case of the external audit.

V.1 Internal Audit

The internal audit process is of vital importance to monitor the performance of the internal control system. According to the Board of Directors' duties and responsibilities, the Auditing Committee examines the efficiency of the task performed by the Internal Audit Unit, assigning an operational methodology, imposing rules and providing a structure in line with the Bank's profile.

The Bank has an Administrative Manual, which in Unit 3: Organization Manual, Organizational Structure, Board of Directors, Part 2, Chapter 1, defines the purpose, roles, internal structure and supervising authority of the Bank's Internal Audit Unit.

- Reporting to: Bank's Board of Directors.
- Purpose: To assess and monitor the Bank's internal control system, supervising compliance with policies and procedures implemented to achieve the Bank's goals, according to the national and provincial regulatory framework and to the regulations issued by the Central Bank.
- Role: Its tasks are grouped in line with the risks associated to the different cycles defined in the Procedures Manual. Staff is divided into working teams according to the cycles to be assessed and monitored.
- Structure: In order to supervise the appropriate controls in the different geographical locations where the bank is present, it will operate through the Regional Internal Audit Units in the case of Business Units, Centralized Units, Judicial Departments and Information Systems according to the specific tasks to be performed.
- Methodology: The Internal Audit Unit has independent procedures to identify risks, using matrices through which the significant processes carried out by the Bank may be assessed, as well as their mitigating controls.

This mechanism helps to plan risk administration tasks and to report to the Board of Directors – through the Auditing Committee – on the supervision structure, its effect on the internal system and the recommendations upon the occurrence of not properly covered risks. The findings of the Internal Audit Unit are duly considered in order to take the necessary remedial actions.

V.2 External Audit

In order to perform an efficient, ethical and professional external audit, the Bank entrusts this task to one of the most well-known and prestigious auditing firms at the international level. To that end, a leading independent auditing firm is periodically hired through a competitive bidding process in accordance with the standards laid down for a public bank of the Province of Buenos Aires. The Bank must monitor the strict observance of the applicable auditing standards and the absence of limits in the scope of the audit.

Banco de la Provincia de Buenos Aires requires the rotation of the signing accountant every five years. This policy complies with the provisions of the Minimum Rules on External Audits issued by the BCRA.

External auditors are in charge of carrying out the assessment of internal control processes related to financial statements information, with the professional due diligence and with the highest quality standards.

V.3 Internal Controls

The control structure is based on the application of rules and proceedings defined by the Board of Directors that integrally include such laws and rules applicable to the banking activity, as well as the proceedings laid down in other current national and provincial regulations.

Internal control is a process carried out by the Board of Directors, the General Management and other Bank's officers for assuring achievement of the strategic goals set by the Board of Directors pursuant to the Bank's Charter. It includes the following categories:

- Strategic goals.
- Effectiveness and efficiency of transactions.
- Reliability on accounting information.
- Compliance with the applicable laws and regulations.

For that purpose, the internal control has been designed taking into account different components, interrelated and integrated in a way so as to achieve an effective internal control. Those components are:

- **Control Environment:** The tone of the organization, influencing the control consciousness of its workforce. It is the foundation for all other components of internal control.
- **Risk Assessment:** Risk assessment must be driven by a corporate vision which requires the analysis of risks from an integral rather than an individual approach. Corporate risk management also addresses risks from a dual inherent/residual perspective as well as the probability of occurrence and severity of consequences.
- **Control Activities:** Policies and procedures that help ensure compliance with managerial directives. Due to their corporate-wide nature, they are performed at all levels and hierarchical positions. They include different activities such as approvals, authorizations, verifications, reconciliations, analysis of operative performance, protection of assets and segregation of duties.
- **Information and Communication:** Information systems use both internal and external data for risk management and decision-making purposes. Such information must be identified, analyzed and reported in such form and within a sufficient time to enable its users an adequate fulfillment of their pertinent duties.
- **Monitoring:** The internal control system must be monitored. Monitoring involves checking the existence and operation of internal control components over time. This is done through constant follow-up activities performed by the officers in charge of each process and independent evaluations from internal auditors.

V.4 Supervision and Superintendency

The activity of the Bank as a financial institution is governed by the Law of Banking Institutions No. 21526, as amended

and supplemented, and the regulations issued by the Argentine Central Bank within the framework of the particular legal and institutional nature of the Bank, thus accepting, in this sense and with the appropriate reserves, the surveillance and control of the Superintendency of Financial and Foreign Exchange Institutions.

The Bank adheres to the administration good practices in financial institutions, the guidelines of which are included in the BCRA consolidated text "Guidelines for corporate governance in financial institutions".

As a government financial institution, it is controlled and audited by bodies under the Provincial Constitution: the General Accounting of the Province of Buenos Aires and the Provincial Audit Office, which in compliance with the current control regulations, guarantee the Bank's transparency and diligence in its daily transactions and in the execution of its budget.

VI. STAFF ECONOMIC INCENTIVE PROGRAMS AND POLICY

The Board of Directors is responsible for defining the incentive policy for staff.

Likewise, according to the provisions of the Bank's Administrative Manual, the implementation of general incentive programs is within the scope of the Human Resources Management and the Staff Incentive Committee, whose composition is detailed in IV.8 above.

Taking into account the impact of the conditions that may govern incentive programs and considering that their main purpose should be the reduction of excessive risk assumption, at the request of the originator and before submittal to the Board of Directors, the Risk Administration area issues a report to provide for a prudential management of risks.

VI.1 Potenciar Tool

This tool is used to assign goals among Regional Centers, understood as integral working teams, according to the potential identified in each area, maximizing their performance which is afterwards measured and assessed. The officers involved -Managers, Deputy Managers, Treasurers, Regional Managers/Deputy Managers and Regional Coordinators responsible for the commercial coordination of the different centers- receive an additional payment according to their compliance with the commercial goals defined.

VI.2 Variable Allowance - Sales Team

Since 2017, the Board of Directors has decided to incorporate Sales Teams into the Regional Centers in order to gain the existing customers' loyalty and attract new customers through the offering of products oriented to the retail segment.

As a result, a non-remunerative allowance based on goals has been set, which aims at providing an incentive to employees participating in such teams. It involves a monthly payment, based on quarterly measurements, which recognizes the achievement of both group and individual goals as well as the individual general performance.

VI.3 Incentive Programs - Products

Since 2017, the Board of Directors has decided to introduce short-term incentive programs and policies for recognizing employees' efforts towards the fulfillment of specific institutional goals.

Through the implementation of programs for the promotion of the Bank's products and/or services, employees are praised for their commitment towards the fulfillment of the institutional goals. Such recognition may take the form of a group or individual incentive pay.

VII. OTHER ORGANIZATIONAL POLICIES

VII.1 Transparency Policy

In order to encourage good Institutional Governance and in line with the Board of Directors' commitment to reinforce

institutional quality, in March 2018, a cooperation agreement was signed with the Institutional Strengthening Bureau of the Province of Buenos Aires (Oficina de Fortalecimiento Institucional de la Provincia de Buenos Aires). Felipe Hughes was appointed as State Compliance Officer and entrusted with the implementation of a Compliance Program.

Likewise, the Bank seeks to properly spread the information intended to depositors, investors and general public.

A – Media available for the general public

The Bank will publish in its web site www.bancoprovincia.com.ar the following information:

- a) Charter
- b) Authorities' Curriculum Vitae
- c) Institutional Governance Code
- d) Ethics Code
- e) Transparency Policy
- f) Sustainability and Quality Policy
- g) Bank's Code of Conduct in the role as Settlement and Clearing Agent
- h) Role as Financial Agent of the provincial public sector
- i) Conflicts of Interest Policy
- j) Market Discipline - Minimum Disclosure Requirements
- k) Annual Report and Financial Statements including notes, exhibits and the external auditor's report.
- l) Information requested by Communication "A" 5460 of the BCRA on Protection of Users of Financial Services.
- m) Information on ATMs destined to visually impaired persons.
- n) Anti-Money Laundering and Terrorist Financing Code of Conduct.

B- Media available for the Bank's personnel

The Bank has an Intranet through which the members of staff may consult the Administrative Manual, which includes all regulations that govern the Bank's activity, as well as the Charter, as supplemented and amended, and the Bylaws and Disciplinary Rules of Procedure for Personnel.

C- Corporate Governance Reports

The Annual Report on the performance of the Bank during the fiscal year will refer to the degree of compliance with the policies and practices included in this Code and, if necessary, the actions to be taken.

VII.2 "Know your Organizational Structure" Policy

The Board of Directors and the General Management acknowledge the importance of all the Bank's members being informed of the organizational structure and encourage its spreading.

Therefore, the Bank publishes its strategies, policies, organizational chart, purpose and roles of its offices and the procedures manuals on the intranet and continues broadening and updating the Administrative Manual so that such information may be available for all personnel.

VII.3 Risk Management Policy

In compliance with the provisions on "Risk management guidelines for financial institutions" issued by the BCRA, the Bank is implementing a comprehensive risk management program, having timely approved the policies and strategies for an effective management of every risk and the pertinent procedures and tools. Additionally, and as required by the regulatory body, a guidance for managing settlement risks in foreign exchange transactions was approved in 2017.

Risks Management ensures an integrated administration of all risks that may affect the Bank in order to identify, assess, follow up, control and mitigate any significant risks, subject to the guidelines set forth by the Board of Directors and in current regulations. It consists of:

- **Credit Risk:** It measures, analyzes, monitors and reports counterparty, residual and concentration credit risks, and those risks identified by its supervisory body, as well as the country risk, according to the pertinent strategy and policies and to the guidelines set forth by the Board of Directors and in current regulations.
- **Financial Risk:** It measures, analyzes, monitors and reports market, interest rate, liquidity, strategic and securitization risks, and those identified by its supervisory body, according to the pertinent strategy and policies and to the guidelines set forth by the Board of Directors and in current regulations.
- **Operational Risk:** It identifies and assesses internal and external operational risks that may affect the development of the Bank's activities, manages the reputational risk and those risks identified by its supervisory body and administers the operational risk management framework according to the guidelines set forth by the Board of Directors and in current regulations.

VII.4 Privacy and Data Protection Policy

The Bank has established that its employees and/or suppliers who may have or gain access to customers' information when performing their duties or professional activities are responsible for its protection and proper use. Therefore, they must abide by the procedures related to the use of confidential information, including:

- It is expressly forbidden to disclose, on their own or on behalf of others, either directly or indirectly, in written or oral form, any information held as confidential to any individual or legal entity whether public or private.
- Employees who may have or gain access to customers' information when performing their duties or professional activities are responsible for its protection and proper use.
- Compliance with current legal requirements on the protection of personal data, bank and fiscal secret.

VII.5 Conduct and Ethics Policies

The Bank has established that its employees, irrespective of their type of labor relationship, shall avoid any situation that may give rise to a conflict of interest, whether private or personal, capable of compromising the impartiality and objectivity required for the performance of their duties.

Private or personal interests shall mean any benefit in favor of the employee, his/her family members or close friends and/or any third party.

Under the Bank's Bylaws and Disciplinary Rules of Procedure, employees are obliged to decline any participation in an issue in which their involvement may be considered partial or morally incompatible; they must also report to the pertinent senior authorities any action or proceeding that may prove detrimental to the Bank or constitute a crime or administrative offence.

Section 25 of the Bylaws and Disciplinary Rules of Procedure provides that, notwithstanding any civil or criminal liabilities arising therefrom, infringements by employees may be subject to the following disciplinary measures:

- Reprimand
- Warning
- Conditional suspension
- Suspension
- Promotion postponement
- Demotion
- Layoff
- Dismissal

The scope and effect of these disciplinary measures, as well as the authority empowered to impose them upon administrative investigation, are defined in the pertinent regulations.

VII.6 Sustainability and Quality Policy

Banco de la Provincia de Buenos Aires, as a self-administered public entity, is oriented towards an excellence model on the basis of national and international standards aimed at promoting institutional strengthening by implementing innovative management tools, improving internal processes and security, assuring the professional development of employees and incorporating new technologies, building ethical and transparent relations among customers, employees, community and environment.

VIII. SCOPE OF APPLICATION, REVISION AND UPDATING, COMMUNICATION, COMPLIANCE CONTROL, PENALTIES

The policies and practices contained in this document, as well as the composition and role of the mentioned governing, administration and control bodies, are to be applied Bank-wide as an integral discipline for the management of all risks.

The Board of Directors assumes responsibility for their updating and communication on a regular basis.

The Institutional Governance, Ethics and Compliance Committee must ensure that these regulations are applied and observed throughout Banco de la Provincia de Buenos Aires, and propose the amendments deemed necessary or convenient according to the outcome of their application and the current legal provisions. It will also inform the Board of Directors annually on the actual implementation of the principles and rules contained herein and any justified deviations therefrom for their analysis and modification, if necessary.

This Governance Code shall be included in the web page www.bancoprovincia.com.ar for public information. It will also be published in the Bank's Intranet where it can be consulted by staff members at any time.

Any breach of the policies and practices stated in this Code and in the Bylaws and Disciplinary Rules of Procedure will subject the infringing director, administrator, officer or employee to the penalties applicable in each case under the provisions of the then prevailing Bylaws and Disciplinary Rules of Procedure, notwithstanding any actions for civil or criminal liability that may be brought, which actions will be initiated by the Bank's representatives when the Bank is the damaged party.