



**BYMA**

Bolsas y Mercados  
Argentinos

# **CODE OF CORPORATE GOVERNANCE**



## Bolsas y Mercados Argentinos S.A. (BYMA) Code of Corporate Governance

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**CODE OF CORPORATE GOVERNANCE****General Terms and Scope:**

This Code of Corporate Governance compiles the principles and rules that regulate the design, integration and operation of BYMA's executive departments, as well as the three powers within the same Company: Shareholders, the Board and the Management. A good Corporate Governance offers the tools needed to protect the Entity's and Shareholders' interests, monitors the creation of value and the effective use of resources. This is an instrument by means of which companies are managed and controlled. Its structure determines the distribution of rights and obligations among different participants and economic agents who may be interested in the Entity and in the rules to be followed in the decision making process.

This Code of Corporate Governance includes all the organizational structure and is subject to the provisions set forth in the Bylaws and in the Regulations in force. It is also worth mentioning that it has been drafted in compliance with the rules of best practices in Corporate Governance and its aim is to fulfill the legislative requirements and regulations in force.

This is a dynamic document which requires to be reviewed and updated on a regular basis, so as to reflect the way BYMA's Board and Management conduct their businesses in relation to, among other aspects, the setting of corporate objectives, how trades are performed, the acceptance of executive or administrative responsibilities towards shareholders and the consideration of third parties' concerns, the assurance of the fact that corporate activities and behavior are in line with the Company's safety and solvency related conduct expected, and the compliance with any and all statutory regulations in force and the protection of the Company's members and investors' interests.

The concepts included herein reflect BYMA's strategic objectives, define primary political management guidelines and frame the design of the organizational structure, the drafting of regulations, guidelines and procedures to be followed in relation to the design of business processes and the development of procedural content as regards specific aspects of business management, such as: i) internal control, ii) risks, safety and protection measures, iii) prevention of money laundering, terrorism financing and other activities against the law, iv) finance and business activities, v) information technology and vi) management (human resources and assets). The contents mentioned above shall be deemed to all effects as part of this



Code and they all address BYMA's criteria on proportionality with dimensions, complexity, economic importance and risk profile.

BYMA's Directors and employees, with no exception, shall be subject to the provisions set forth in this Code, to the documents mentioned herein which will be based on this Code and to any and all current or future codes of best practices which this Code adheres to, and said Directors and employees shall behave accordingly to the provisions of said documents. Those contents and documents will be effectively disclosed to the areas involved (via the institutional Web) through the established channels, whenever they are published or updated.

### **Applicable Laws:**

Bolsas y Mercados Argentinos S.A. is a Corporation (Sociedad Anónima) duly created pursuant to the laws of the Argentine Republic, which corporate governance guidelines are governed by the Argentine Law, the Argentine Corporate Law (Ley General de Sociedades), the Argentine Capital Market Law (Ley de Mercado de Capitales), the National Securities Commission regulations (Cámara Nacional de Valores - CNV for its Spanish acronym) to its own Bylaws and regulations and to any other applicable regulations in force.

## **1. INTRODUCTION**

### **a. BACKGROUND AND ACTIVITIES**

#### **Bolsas y Mercados Argentinos S.A. (BYMA)**

Bolsas y Mercados Argentinos S.A. (BYMA) is a private entity incorporated in 2016 as a Corporation (Sociedad Anónima) and registered as market authorized to trade pursuant to the National Securities Commission regulations (CNV - Cámara Nacional de Valores) under Record No. 639.

Within the frame of the Argentine Capital Market Law No. 26831, enacted in December 2012, Mercado de Valores de Buenos Aires S.A. (1929) and Bolsa de Comercio de Buenos Aires (Buenos Aires Stock Exchange) (1854) have decided to create a new entity: Bolsas y Mercados Argentinos S.A., in order to unify the capital market, thus improving its efficiency and depth, and positioning Argentina as an international financial center. It is worth highlighting that BYMA is the controlling shareholder of Caja de Valores S.A., the Argentine central depository.



Furthermore, different interconnection agreements have already been executed with the main Markets authorized by the CNV. This allows BYMA to offer to any local or foreign market participant all trading, post-trading and custody related services for any type of negotiable instrument in Argentina, by opening a single account in Caja de Valores S.A.

BYMA is sure that market participants' management skills and capacity, together with an irrefutable career path and the potential skills to be developed by converging Mercado de Valores de Buenos Aires S.A., Bolsa de Comercio de Buenos Aires, Caja de Valores S.A. and other Stock Markets within the country, will leverage the entity as a Leading Entity in the Capital Market.

**Main activities:**

- a) Issue the regulations providing for CNV authorized agents to act within the scope of BYMA regulations, considering said agents shall not be obliged to be a market shareholder therefor;
- b) Authorize, suspend or cancel the listing and/or trading of negotiable instruments in accordance with the provisions stated in their respective regulations;
- c) Issue any operative rules needed to assure veracity in price records, as well as in trades;
- d) Issue the regulations and measures that may be necessary to assure a real context for the trading operations performed by their agents;
- e) State collateral requirements to be imposed to their registered members for each trading operation to be guaranteed;
- f) Establish arbitration tribunals, and
- g) Issue informative bulletins.

The powers included in the items mentioned above may be exercised by BYMA or may be delegated, in full or in part, to another entity duly qualified in relation to its knowledge and expertise in the execution of said activities.

**Guidelines and Premises**

The guidelines and premises on which this code is based might be summarized as follows:

- Compliance with the regulations in force on this matter
- Transparency



- Business Ethics
- Solid administration and supervision
- Monitoring of corporate risk
- Respect for shareholders' rights

Said guidelines and premises let us set the guidelines of corporate governance, as well as the policies and procedures to be followed by the market, for the purposes of conducting their businesses within the frame of best practices. All the issues included above were taken into account and included in this Code of Corporate Governance.

## **b. POSITIONING AND AIMS**

BYMA's aim is to become a leading entity in the segment of the Argentine and International Capital Market.

## **c. VISION, MISSION AND VALUES**

### **1- Vision**

BYMA has a cutting-edge position in the industry, and from that position, it aims to be the best eligible institution for different BYMA member brokers and investors to trade and settle their operations in the most effective way.

That is to say, a federal market which is unified, ready cash, interconnected and transparent and which works under a frame of respect to minor investors, so as to let Argentine companies find the way of financing their capital needs more effectively.

All these commitments let us be, in theory and in practice, an Entity which is conducted by and is solid and trustworthy in risk assessment, in risk management, in the establishment of internal control rules and in the compliance of the legal and regulatory frameworks governing our activity.

### **2- Mission**

BYMA's main mission is to offer highly specialized services focusing on the needs of its members and third parties. BYMA therefore provides solid, consistent and trustworthy services while executing its business strategies within its risk profile and its commitment to its collaborators is evidenced by its intention of rendering an optimum performance of its capital stock for its shareholders.



That is to say, to build a market where investors from any part of the country and any part of the world may operate all types of negotiable instruments in the Argentine market from a computer, ordering its Registered Broker Member to trade, thus making access easier and therefore, fostering the local market financing.

In this sense, BYMA is paying special attention to investment related to technology and human resources, giving priority to a continuous process of investment and quality improvement, in order to differentiate its products, its staff and the services it offers.

### **3- Values**

BYMA commits to values such as loyalty, trust, transparency, respect and the maintenance of high ethical standards shared by all its members and this assures the way the company conducts its businesses and the way it relates with third parties and colleagues, which is always consistent throughout the whole organization.

These values establish a code of conduct, a common attitude and the maintenance of a positive and productive working environment which fosters equal opportunities among officers to contribute in the best possible way to business success.

BYMA promotes an open-door management style which intention is to avoid obstacles that may interrupt communication among all corporate levels, and by means of which business activities are enriched by the contributions made by BYMA's personnel.

#### **- Corollary**

It is expected that BYMA's collaborators personally undertake the responsibility to continuously enhance their own performance and any tasks they may be assigned thereto. Business Plans to be drafted will include specific regular objectives to enhance results.

BYMA's success is measured by the compliance of its responsibilities, the added value offered to its shareholders in the long term, by collaborators' pride for their achievements, by its members and third parties' satisfaction as regards common businesses, by the generation of economic activity in the community it operates and by the creation of technology innovation for the business in order to improve the quality of work.



## **2. MANAGEMENT AND CONTROL**

As stated above, the concepts defining management and surveillance factors are this first approach, on behalf of BYMA's Board of Directors, to the strategic aims and corporate policy in relation to these factors, which, as the case may be, could be broadened according to what is stated in the management guidelines.

### **a. THE BOARD OF DIRECTORS AND THE ENTITY'S FUNCTIONAL-ORGANIZATIONAL STRUCTURE**

#### **1- Shareholders' Meetings**

Any staff or entity which directly or indirectly relates to BYMA or the group, its shareholders or staff must comply with the provisions and obligation to provide information set forth in the Argentine Capital Market Law, the regulations set forth by the National Securities Commission (CNV) and any other regulations in force.

Added to this, and in relation to the compliance with best practices, BYMA shall provide any information about important trades executed with shareholders and administrators, pursuant to the regular conditions of the business.

Shareholders' Meetings, BYMA's main decision-making body, are regularly held and gather shareholders together in order to decide on the issues which may correspond, according to the Law, BYMA's Bylaws and statutory regulations. Said Meetings may be Ordinary Shareholders Meetings or Extraordinary Shareholders Meetings, depending on the issues to be included in the agenda and pursuant to the legislation in force.

In compliance with the Argentine Corporate Law, CNV rules and the Bylaws, an Ordinary Shareholders Meeting shall be held during the term of four months following the closing of the Fiscal Year. Added to this, whenever the Board of Directors or the Surveillance Committee deems it necessary, or upon request of the shareholders, an Ordinary Shareholders Meeting or an Extraordinary Shareholders Meeting may be called, depending on the issues to be included in the agenda and pursuant to sections 236 and 237 of Argentine Companies Law No. 19550.

BYMA ensures that all shareholders may exercise their rights, provided there are no limits of any kind to restrict their participation in Shareholders Meetings.

Therefore, the Bylaws and the Regulations provide for shareholders rights and the ways of communication to be established with Shareholders in relation to the principle of equality of votes, the principles of capital stock non-dilution, how to





foster participation and information disclosure to Shareholders. Additionally, they also establish the scope of Shareholders Meetings, how to call for Shareholders Meetings, the rules governing them and how they shall be conducted.

## **2 - Dividends and Directors' Remuneration**

BYMA makes the distribution of dividends according to the schedule fixed by the shareholders and under the regulations of the Distribution of Income arising from its Bylaws, the Companies Law, the Argentine Capital Market Law and other applicable legislation in force.

The policy for the distribution of dividends of BYMA leads to the maintenance of an appropriate balance between the allocated amounts and investment and expansion policies.

In line with the best practices, the remuneration of directors is established according to the responsibility undertaken and their active participation in the management of the committees they are part of.

The Shareholder's Meeting states the limits to the annual retribution and the amounts of remuneration are approved taking into account the legal provisions in force.

## **3- The Board of Directors**

The Board of Directors of BYMA is in charge of the administration of the Entity and defines the strategic objectives and guidelines of the corporate policy, ensuring a proper management control. In this sense, the Board of Directors, with the participation of the Treasury Director, is in charge of approving the investment and financing policies of BYMA.

This Code of Corporate Governance takes the concept of loyalty of directors as stated in Section 78 of Law 26831; therefore, within the duty of loyalty to be followed by Directors, the following premises are taken into account:

- a) There is a prohibition to use corporate assets and confidential information for private purposes;
- b) There is a prohibition to benefit or allow third parties to benefit, whether by action or omission, from the business opportunities of the company;
- c) There is an obligation to use its powers only for the ends established by the legislation, the Bylaws, the Shareholder's Meeting or the Board of Directors;
- d) There is an obligation to strictly observe their actions in order to prevent any conflict of interests, whether directly or indirectly, with the interests of the company. In case of doubt as regards to the compliance of the duty of loyalty, the burden of proof lies on the Director.



The Board is composed by the number of members stated in its Bylaws, in compliance with the legislation in force. The appointments and removals from the Board are decided by the Ordinary Shareholders Meeting. Likewise, ensuring the continuity of the management, the re-election can be made pursuant to the Bylaws but (in order to have a better functionality) there will only be one consecutive re-election. In order to be a member again, the prospective member shall wait until the passing of one fiscal year. The composition of the Board of Directors is published in the company's web site and in the National Securities Commission's site, within the section "Autopista de Información Financiera (AIF)" (Financial Information Highway).

The Directors of BYMA are morally suitable and have wide experience in the capital market area. The formal requirements to be fulfilled in order to become a member of the Board are stated in the Regulations of the Entity, which take into account the applicable legislation and the rules timely established.

The management and performance of the Board are assessed on an annual basis by the Ordinary Shareholders Meeting, wherein a detailed consideration of the issues provided in the Companies Law is performed and the "ad hoc" regulations issued by the controlling entities are included.

Additionally, at the time of periodic meetings, the Board assesses the outcome from the application of its policies when analyzing the business and the management drafted as provided by different managements and monitors budget compliance.

Taking this into account, the Board makes a specific assessment of its management, which is subject to discussion and is stated in the annual report to be approved by the Shareholders at the Ordinary Shareholders Meeting.

The Committees are the link by means of which the different members of the Board make direct contact with different issues to be addressed and control the effective application of the strategic objectives and the guidelines of the corporate policy. All participating directors therefore gather information on the daily running of the business and make eventual recommendations on new policies or adjustments to be made to the ones in force.

#### **4- Committees**

According to the provisions set forth in the Bylaws, the Entity has decided to appoint the following members to the Committees of the Board: Audit Committee, Rules of Corporate Governance, Human Resources and Remunerations to Staff and Risk Committee; which main aims are stated herein below:



- (i) **Audit Committee:** it is composed by three members as defined by the legislation in force and, in accordance with the appointment made by the Board, its members have the proper knowledge as regards corporate, financial or accounting issues; at least two of its members are independent and do not hold executive functions in the Entity.

The principles governing this Committee have to do with the functions and duties stated in the Argentine Capital Market Law.

The Committee prepares an Annual Action Plan on the procedures to be followed to perform its duties, and this plan is informed to the Board and to the Surveillance Committee. Likewise, in compliance with CNV rules, it drafts a yearly report assessing, among other issues, the independence, the planning and the performance of the external audit. Said assessment is made by the analysis of the different services rendered, the reports issued, the interviews made and/or the reading of the requested documentation and control on the billed fees.

- (ii) **Corporate Governance Committee:** this Committee will be composed by three members of the Executive Committee of the Board and will include the participation of the President of the Board.

This Committee will operate taking into account that stating the basis for adequate corporate governance means the provision of an essential tool to enhance all business activities directly related to corporate management. There follow some of the advantages of counting on a good corporate governance: to assure the proper management and administration of the market, to build trust for the capital market, to protect the rights of shareholders, brokers and other groups of interests to attract capital flows, to strengthen and have access to more important sources of funding and to create value, among others.

According to the provisions stated in this code, the main role of this Committee is to review its content regularly in order to assess the possibility of amending and updating it, widening its scope if necessary, as defined by the best practices.

The Code of Corporate Governance shall be submitted to the Board of Directors on an annual basis for its approval and subsequent disclosure.

- (iii) **Committee of Human Resources and Remunerations to Staff:** in accordance with the provisions of the Bylaws, the Executive Committee of the Board will propose the members of this Committee, which shall be composed by the General Manager and two members of the Board.



- **Human Resources and Training:** BYMA performs a type of human resources management that includes, among other principles, respect to the individual and treating everyone with dignity. Our main competitive advantage is our staff. Its strength and leadership capacity are skills which are not related to the creation of new businesses but with the maintenance of a corporate culture focused on permanent growth. Likewise, as regards to the staff of the Entity, there are teaching and training programs which include the staff. In this sense, the Entity carries out continuous upgrading programs through Instituto Argentino de Mercado de Capitales (IAMC) courses specialized on subjects related to the capital market. Said programs reach members of the Board of Directors and managers of the Company.

-**Remunerations to Staff:** their aim is to ensure the consistency of staff remunerations guidelines and practices with corporate culture, the company's long-term objectives, its risk profile and its labor environment. Thus, its internal rules will establish the methods for staff assessment, qualification and promotion structure. The Human Resources area of the Entity will annually prepare a proposal of qualification and remuneration which shall be assessed by this Committee for its later delivery to the Board and final approval.

- (iv) **Risk Committee:** in accordance with the statements made by the Board, it shall propose the members of the Committee which shall be composed by the General Manager and two (regular) members of the Board and the President of the Surveillance Committee, who shall be qualified in this matter.

This Committee will have the functions granted by the legislation in force, the Bylaws and the Regulations. It will be in charge of setting guarantee margins and their requirements in trades closed by agents, establishing limits to trades amounts which authorized member brokers may perform whenever settlement is guaranteed or not, and requiring an increase on the guarantee whenever it deems convenient.

On the other hand, it shall coordinate and be informed for its approval by the Board of the annual external audit report on risks to be submitted before the National Securities Committee (CNV).

The Committee will act in coordination with the Departments of Monitoring, Settlement, and Internal Audit, all of which are under the supervision of the General Management.

Monitoring procedures of risk concentration as well as each and every risk to which the market is exposed are detailed in the Procedures Manual (Risk Management).



## **5- The Management**

Whenever BYMA makes reference to the Executive Management, it means the General Manager and all other Area Managers depending on it within the organizational structure in force (Monitoring Manager, Settlements Manager, Legal Issues Manager, Audit Manager and Finance and Administration Manager), considering that their functions are stated in accordance with the provisions set forth by the Procedures Manual. The Entity also has a Legal Counsel.

It is worth mentioning that the members of BYMA's Management have the necessary qualifications and experience in the activity to manage the business under their supervision as well as to exercise the adequate control over their pertinent staff.

On the other hand, and as regards good practices, it is intended that the main managerial decisions be taken by more than one individual, recommending that the members of the Management do not take part in the decision making process of minor issues or the detail of business, and that they manage the different areas taking into account the opinions rendered by the pertinent Committees and exercise the control of officers' activities.

## **6. Surveillance Committee**

In accordance with the provisions stated in the Bylaws, BYMA has a supervising committee named "Surveillance Committee", composed by three regular Members and three alternate Members, whose election is to be made at the Ordinary Shareholders Meeting.

### **b. INTERNAL CONTROL AND EXTERNAL REGULATIONS - COMPLIANCE**

Internal control is a key aspect of management and it is also part of the decision making process by means of which an organization governs its activities to fulfill its mission effectively and efficiently.

BYMA integrates to its management the so-called "compliance function" with the aim, among other purposes, of regularly monitoring the compliance with Corporate Governance rules and the regulations, codes and policies to which the Entity is subject.

The organization has defined the internal control system as a coordinated group of methods and measures to be adopted to safeguard the assets, verify information accuracy and reliability, promote operative efficiency and efficacy, and promote the adhesion to the policies issued by the executive board. The internal control system is built upon the compliance with the rules under the responsibility of the members of



the organization by stating strategic key issues to be complied with and by establishing mechanisms to detect failures in order to assess and correct them and provide feedback to the system.

Within this framework, everyone cooperating at BYMA must permanently receive -by means of the defined control and management structure- the clear message that the responsibilities must be taken with a higher degree of professionalism in the execution processes.

Each and every member of the organization is in charge of performing internal control. Regardless of the fact that this process is originally fostered by Board, and that it has been designed to provide reasonable safety as regards the compliance of its objectives, each corporate player has a particular role on it, to wit:

- **Board of Directors:** it establishes the objectives and policies, and approves regulations.

- **Audit Committee:** it analyses any deviations found, regardless these deviations had been discovered by audit proceedings, monitoring activities, or by other audit agents who may interact with the organization. It analyses the deviation, any recommendations made thereof, and it then performs the corresponding follow-up to solve the issue. Likewise, it is in charge of the assessment of performance of the Internal Audit Management as from the analysis of the Reports which are regularly issued by said Management.

- **Management:** it executes the orders given by the Board, and cooperates in the implementation of mechanisms which allow for the minimization or control of business risks.

- **Internal Audit:** it performs the plan approved by the Audit Committee and the Board and monitors the internal control structure, as well as the compliance with the Entity's policies for fraud prevention.

In order to comply with the legislation in force, BYMA's Audit Management performs the tasks related to the supervision and control of all the rules governing the activity of Member Agents authorized by the National Securities Commission (CNV), including the counseling to the Board in related matters.

It also performs controlling and surveillance activities related to the compliance with the legislation in force on all BYMA participants who are subject to the Entity's control. The characteristics of said controlling and surveillance activities are detailed in the Procedures Manual.



**-Permanent compliance with the requirements of CNV rules:** the Legal Issues Management, as the case may be, and the Internal Audit Management, with the cooperation of the other area managements will be responsible for the compliance with the statutory regulations stated in the Procedures Manual of this Entity.

**-External Audit:** the financial statements of the company are examined by independent public accountants who, in order to determine the scope of their job, make an assessment on the Entity's internal control and submits recommendations to improve them. The External Audit shall also comply with the rules stated by the National Securities Commission (CNV) and the pertinent Professional Board.

External auditors are annually appointed by the Ordinary Shareholders Meeting together with the consideration of the annual financial statements.

**-The Rest of the Organization:** they shall all comply with the policies by carrying out the designed processes and procedures, by detecting any differences in the control of the operations and by minimizing risks.

### **c. INTEGRAL RISK MANAGEMENT**

It is worth mentioning that BYMA considers stress tests as a relevant tool for risk management and, ultimately, as an integral part of Corporate Governance culture itself. BYMA acknowledges that stress tests provide a prospective assessment of risk, help to overcome limitations of models and historic data, facilitate internal and external communication, establish procedures of planning on capital and liquidity, cooperate in establishing tolerance levels of risk and foster the development of contingency and risk mitigation plans, by reinforcing Corporate Governance and the strength of BYMA and the capital market as a whole.

Additionally, the Entity also acknowledges the importance that stress tests results have in the decision making process of the Board of Directors and the Management.

Risk control procedures, as well as each and every risk to which the market is exposed, are detailed in the Procedures Manual. Integral risk management policies are being constantly updated according to IOSCO (International Organization of Securities Commissions), an international organization that gathers all Securities Regulating Departments around the world and develops, implements and promotes support to globally recognized standards to regulate negotiable instruments.

### **d. PREVENTION OF MONEY LAUNDERING, TERRORISM FINANCING AND OTHER ILLEGAL ACTIVITIES**

Pursuant to Law 25246 and its resolutions, rules for the prevention of money laundering from illegal activities were issued and they are similar in development and methodology to other international rules. Section 5 of Law 25246 created the





Financial Intelligence Unit in Argentina (Unidad de Información Financiera (UIF) for its Spanish acronym) which is a Governmental Organization with functional autonomy which operates under the jurisdiction of the Argentine Ministry of Finance, and which is in charge of the analysis, treatment and transmission of information to prevent asset-laundering coming from different types of crimes. Likewise, section 20 states a list of public and private individuals who are subject to inform the UIF on any assets operation they may deem suspicious, whether it be because they are unusual - without economic or legal grounds- or because they are too complex or made whether isolated or repeatedly.

Subsection 4, section 20 of Law 25246 makes reference to the Individuals required to Report, who are related to the capital market, such as: agents and stockbroker companies, companies managing mutual funds, over the-counter market agents, and all those intermediaries engaged in the purchase, lease or borrowing of securities who trade or transact their businesses under the scope of a stock exchange with or without a related securities market.

Likewise, Resolution UIF 229/2014 defines the CNV as a Specific Control Body complying with the cooperation function to the UIF, while providing information on any type of suspicious operations in relation to asset-laundering and terrorism financing. Member Agents of BYMA are the intermediaries who deal with domestic and foreign investors and they close operations at BYMA on their behalf. Said Members are considered as Individuals required to Report and they must comply with the requirements of AML (Anti-Money Laundering) and KYC (Know Your Customer) regulations as per established by the Financial Intelligence Unit in Argentina in its Resolution No. 229/2011, and amendments thereof. That is to say, in summary, that they must hold written policies of AML (Procedures Manual), they must apply an express procedure of follow-up to comply with that policies, they must incorporate internal control procedures, appoint an individual in charge (Compliance Officer), frequently train the staff and hire frequent and independent audits from the anti-laundering global program, and make sure to inform the UIF and the CNV on these matters.

BYMA classifies its Members according to CNV's applicable rules. According to the previous paragraph, information is provided on each of these individuals as to their personal and legal, proprietary and economic aspects during their performance as intermediaries, as the case may be.

It is worth mentioning that the above mentioned section 20 does not include Securities Markets, and this is due to the fact that those types of private institutions,





as BYMA, do not have commercial relationships with investors or principals, but their corporate purpose is to render services to develop the activity.

Since they do not have contact with investors and/or clients, no policies or requirements are required in order to fight money laundering or terrorism financing. However, BYMA holds entrance control processes for intermediaries approved by CNV.

Additionally, BYMA has established a pertinent rule which provides that Member Agents shall hold an AML Procedures Manual pursuant to the provisions of the National Securities Commission (CNV) Law No. 25246 and the resolutions issued by UIF.

Lastly, it is worth mentioning that BYMA organizes workshops on this matter and frequently and actively participates in congresses, forums, seminars and events fostering the training of its staff and Member Agents.

#### **e. PRINCIPLES OF HUMAN RESOURCES MANAGEMENT**

BYMA performs a type of human resources management that includes, among other principles, respect to the individual and treating everyone with dignity. Our main competitive advantage is our staff. Its strength and leadership capacity are skills which are not related to the creation of new businesses but with the maintenance of a corporate culture focused on permanent growth.

Human Resources management implies, among other duties, to count on processes of personnel selection and internal promotion to cover corporate needs and to offer staff the training they need to perform their duties satisfactorily, with the aim of achieving the creation of a group of professionals qualified to cover managerial positions at BYMA so they may keep up with the Company's permanent growth.

#### **f. INFORMATION TECHNOLOGY**

BYMA understands that the culture, technology and information are the new competitive factors for organizations; therefore, a current organization acquires technology in case it consolidates itself within an environment of systems and information technology that facilitate effectiveness and organizational flexibility of adapting to any emerging changes thereto. Information technology systems not only affect BYMA operative activities but also its organizational design and the way it manages business processes.



In that sense, it establishes a policy in terms of compliance of all legal and regulatory provisions in force, in line with best practices in this matter.

Therefore, BYMA understands information technology systems as information to be provided as a service to its Members (as user of said information and decision-makers) and understand them, as focused on business processes from a supportive perspective to the organization strategy, which exceeds the concept of technological infrastructure as simple support to administrative activities to be performed.

Different information technology systems which are currently being used by the Entity, a list of them and the business site where they are applied, their characteristics and who offers them are detailed in the Procedures Manual.

#### **g. ADMINISTRATION OF ASSETS AND SERVICES**

The purchase of assets and services for specific projects or for general administration or management performance shall comply with the following criteria:

- a) It will be performed in accordance with the principles of transparency, impartiality, equal opportunities and efficiency in the use of resources.
- b) It will be performed in accordance with the country's legal and statutory regulations in force and with the suppliers' countries legal and statutory regulations in case of foreign suppliers.
- c) It will be performed pursuant to the Code of Conduct in force in BYMA.
- d) It shall obtain the corresponding authorizations to be stated ad-hoc.
- e) It will be documented in contracts, provided these contracts may include legal or tax written counselling whenever it may be deemed necessary.

In case of Contracts of Work or Service Agreements which include investments to be made for high amounts and which performance may require a long term to be established, the Administration and Financial Management shall perform direct control on said projects.

#### **h. INFORMATION AND TRANSPARENCY**

BYMA's aim is to provide a transparent path of its activities and business in general, which is evidenced by its drive to disclose relevant information to its members, investors and general public, so as to collaborate in the consolidation of good corporate governance.



We provide third parties with the information they need to assess the effectiveness of the Board of Directors and the Executive management performance, considering that the publication of reports on corporate governance aspects may collaborate with any of the parties interested in monitoring the company's strength and solvency.

Within the frame of the regulations in force, on an ongoing basis and considering the principles of Information Security that has already been established, BYMA will tend to publish on the corresponding websites, on the annual report and on Notes included in the Financial Statements the following information on a regular basis: i) Board of Directors and Management structure; ii) basic proprietary structure; iii) organizational structure (organizational chart, business lines, subsidiaries); iv) Code of Conduct; v) Procedures Manual, and vi) businesses and risks related data: information on the purpose, the strategies and the risks and controls related to said activities.

As regards the relationship between the issuer and the economic group it leads and any parties related thereto, BYMA Board of Directors, in accordance with the provisions set forth in the Capital Markets Law, shall approve and inform the National Securities Commission (CNV) on any operations to be performed with related parties that exceed the limits established on the Company's net worth. Additionally, for said operations, and pursuant to the regulations in force, the Auditing Committee has to issue a grounded opinion as regards any relationship held with related parties and shall communicate such opinion if there is, or there could be, a possible conflict of interests within the Company.

Likewise, the Entity's annual report includes a section in which it regulates the relationships with affiliates or controlling organizations, and at the same time the Financial Statements show the operations made with the mentioned companies.

Preventive measures to be followed in order to avoid conflicts of interests or the undue use of privileged information are established in the Code of Conduct, which addresses such issues.

## **i. CORPORATE SOCIAL RESPONSIBILITY - CSR**

In line with the concepts stated by the Economic Commission for Latin America and the Caribbean (ECLAC), BYMA understands CSR as a transversal concept through which the organization flows and the social environment in which it runs, with the aim of contributing to a more fair, stable and thrive society.



In this sense, BYMA is aware of the corporate social responsibility it has towards the community in which it runs its businesses. For that reason, BYMA collaborates in different projects, offers specialization courses on capital markets and promotes scholarship opportunities, while collaborating with governmental and non-governmental organizations and communities located in different provinces of the country.

The Entity has a web site free of access for any interested person, where market information is gathered and shared, as well as Facebook, LinkedIn and Twitter accounts, among others. Furthermore, the Entity guarantees that the information disclosed is subject to the highest standards of confidential and reliable information, tending to maintain and keep data record.

This way, BYMA promotes within the organization a supportive work-culture and social responsibility, as well as economic and environmental responsibility.

### **3. CODE OF CONDUCT**

BYMA Board of Directors is the body in charge of issuing a Code of Conduct related to BYMA's activity, according to the different roles established by the Argentine Capital Market Law, which shall be considered as part of this procedure.

Upon approval and/or after being effectively adhered to, and on the date as from it is effectively in force, the Code shall be disclosed to all the organization and shall be published on BYMA Website and on the National Commission Securities Website, within its section "Autopista de Información Financiera (AIF)" (Financial Information Highway), and it will be incorporated as part of the Procedures Manual by mentioning it thereon.

The aim of the Code of Conduct is to provide the basic guidelines to be followed by all BYMA members, so they behave in the same manner and on the same basis as regards values while facing similar situations.

### **4. PROCESSES**

BYMA adheres to the principles of quality assurance and in this sense, it considers that the results expected in the strategic planning may be reached on a more effective way when resources and activities which enable the achievement of a product or service are managed as a process (not as a group of areas and departments which perform isolated tasks or functions).



Added to this, we consider that processes which are necessary to achieve organizational goals shall be documented, since that is how they can be identified, their scope can be defined, and they may be redefined, assessed and controlled in order to comply with the legislation in force and also they may be adapted to meet emerging needs emerging from ongoing management performance.

The processes describing BYMA's business management proceedings are identified in a Map of Processes and they are designed by the corresponding area in line with the strategic objectives and the guidelines of each policy established by the Board of Directors, therefore applying custom definitions of the rules, guidelines and recommendations to be followed, with the participation of the owners of each process and the assessment of the department of Internal Audit, Monitoring (Operative Risk) and other related areas. Guidelines are therefore established for the development of proceedings which describe management performance in detail.

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