

| Charter



Banco de la  
Nación Argentina

# CHARTER OF BANCO DE LA NACIÓN ARGENTINA

## LAW 21799 – IT INCLUDES AMENDMENTS BY LAWS AND DECREES

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## **LAW 21799 – INCLUDING AMENDMENTS BY LAWS AND DECREES**

- Law 22602 (Official Gazette Jun/08/82)
- Law 25299 (Official Gazette Sep/07/2000)
- Law 26585 (Official Gazette Jan/04/2010)
- Law 27431 (Official Gazette Jan/02/2018)
- Decree 95/2018 (Official Gazette Feb/02/2018)

## **CHAPTER I – NATURE AND PURPOSE**

### **ARTICLE 1 (Wording pursuant to Article 1 of Law 25299)**

Banco de la Nación Argentina is an autarchic entity pertaining to the State, having administrative and budgetary autonomy. It is governed by the provisions of the Law of Financial Institutions, this Law and other related legal regulations. It shall coordinate its activity with the economic and financial policies implemented by the National Government.

The general rules issued for the organization and operation of the national public administration, particularly the acts which may result in restrictions on the legal capacity or powers granted by reason of its specific regime shall not be applicable to the Bank.

### **ARTICLE 2**

The Bank's transactions are guaranteed by the Argentine Nation.

### **ARTICLE 3 (Wording pursuant to Article 1 of Law 26585)**

The main purpose of the Bank shall be to provide financial assistance to micro, small and medium enterprises, whatever their business activity. In such respect it shall:

- a) Provide support to agriculture and livestock production, promoting its efficient development;
- b) Facilitate the establishment and settlement of the rural producer and, subject to the priorities of credit lines available, their right to own land;



- c) Finance the efficient transformation of agriculture and livestock production and its commercialization through all its stages;
- d) Promote and support foreign trade and, particularly, encourage the exports of Argentine goods, services and technology, performing each and every act aimed at attaining the growth of such trade;
- e) Attend to the needs of commerce, industry, mining, tourism, cooperatives, services, and other economic activities;
- f) Promote a balanced regional development, taking into account the spirit of Article 75 of the Argentine Constitution.

In order to achieve such purposes –except for the transactions described in Article 25 of this Charter, export financing transactions, and short-term stock exchange or interbank transactions– Banco de la Nación Argentina shall not be able to grant loans exceeding:

- I. The amount equivalent to one percent (1 %) of the individual computable equity applicable to private sector and customers related to Banco de la Nación Argentina, in effect as of December 31 every year, resulting from the audited financial statements furnished to the Central Bank of the Republic of Argentina published on an annual basis, when the borrowing company has liabilities to other banks and Banco de la Nación Argentina's share does not exceed fifty per cent (50%) of total liabilities.
- II. The amount equivalent to zero point twenty per cent (0.20 %) of the computable equity mentioned in the above paragraph, when Banco de la Nación Argentina is the only lender.

In order to adjust the amounts resulting from the calculation stipulated in paragraphs I and II, the validity of limits will be updated by furnishing the financial statements to the Central Bank of the Republic of Argentina on an annual basis.

The Board of Directors of Banco de la Nación Argentina is empowered to consider exceptions to the stated amounts, upon consultation with two (2) reputable risk rating agencies and will define the minimum rating acceptable to be set as a general policy.

Furthermore, the Bank shall be able to:

- g) Administer retirement and pension funds as well as perform the insurance activity through the establishment of or participation in other companies, in compliance with the provisions of Law 20091, as amended, and subject to its controlling body;
- h) Grant credits for the acquisition, building or repair of housing;
- i) Participate in the creation and administration of trusts and in the remaining transactions authorized by the Law of Financial Institutions.

## **CHAPTER II – CAPITAL AND PROFITS**

### **ARTICLE 4**

The capital of the Bank amounts to SIXTY THOUSAND MILLION PESOS (\$ 60.000.000.000) and the Board of Directors shall be able to increase it through the capitalization of profits and reserves assigned for such purpose and of the accounting revaluation approved by it, as well as the resources assigned therefor by the National Government.

### **ARTICLE 5 (Wording pursuant to Article 96 of Law 27431)**

After the amortizations are effected and the write-offs, provisions, and allowances that the Board of Directors may deem convenient are deducted, a percentage of the net and realized

earnings resulting at year-end shall be allocated as follows: the percentage determined by the competent authority to the legal reserve fund; the percentage determined by the Board of Directors, which shall not exceed TWENTY PERCENT (20%) thereof to the Treasury; and the remainder shall be assigned to increase the capital and to such other purposes as the Board of Directors may deem appropriate.

## **CHAPTER III - ACCOUNTS AND STATEMENTS**

### **ARTICLE 6**

The fiscal year of the Bank shall be annual and shall end on December 31. The Bank shall inform the National Executive Branch of its balance sheet and profit and loss account, which shall be published by the Bank within ten working days following their certification by the Central Bank of the Republic of Argentina.

## **CHAPTER IV - ADDRESS**

### **ARTICLE 7**

The legal address of the Bank is that of its Head Office in the City of Buenos Aires.

### **ARTICLE 8**

The Bank may create or close branches, agencies, offices and any other kind of representative offices in the country and abroad, in accordance with the provisions of the Law of Financial Institutions.

In the case of the creation or closing of agencies, offices or other kind of representative offices abroad, the Bank shall act upon prior consultation with the Ministry of Economy.

## **CHAPTER V – GOVERNING BODY**

### **ARTICLE 9 (Wording pursuant to Article 30 of Decree 95/2018)**

The Bank shall be managed by a Board of Directors consisting of a President, a Vice-president and eight Directors, all of which shall be Argentine citizens, either native or by option, or naturalized, having exercised their citizenship for a minimum period of ten years.

### **ARTICLE 10**

The President and Vice-president shall be persons of well-known competence in economics and finance. They shall be appointed by the National Executive Branch and shall remain four years in office and may be reappointed.

The Vice-president shall exercise the duties of the President in the case of absence or impediment of the latter. Should the office become vacant, the Vice-president shall exercise the duties of the President until a new president is appointed. Furthermore, he/she shall perform the duties entrusted by the President, within those pertaining to the position.

### **ARTICLE 11**

Should the President or the Vice-president die or resign, or otherwise become disabled or leave office before the expiration of their term for which they were appointed, the National Executive Branch shall designate the substitutes according to the provisions of Article 10, in order to complete the term.

## ARTICLE 12

Directors shall be appointed by the National Executive Branch, and they shall equitably represent the different sectors, activities, and regions that constitute the national economic activity.

They shall remain four years in office and may be reappointed. Should any of them die or resign, or otherwise become disabled or leave office before the expiration of the term for which they were appointed, another person shall be appointed according to the provisions of this Charter, in order to complete the term.

## ARTICLE 13

The following persons shall not be eligible to act as members of the Board of Directors:

- a) Those persons included in the provisions of incapacity set forth in the Law of Financial Institutions or lacking a well-known reputation.
- b) Those persons who are part of or report to the management, administration, representation or supervisory committee of other banks or financial institutions, except when, for their being members of the Board of Directors of Banco de la Nación Argentina, they are members of other banking or official institutions.
- c) Those persons holding other offices or positions remunerated or compensated in any way whatsoever, directly or indirectly subject to national, provincial or municipal governments. Those engaged in teaching activities shall not be included in the provisions of this paragraph.
- d) Those persons who are part of legislative or judicial bodies, whether national, provincial or municipal.

## PRESIDENT

### ARTICLE 14

The President of the Board of Directors of the Bank is the legal representative of the Institution and directs the management thereof. He/She shall observe the fulfillment of the provisions of this Charter and other regulatory and legal provisions, the execution of which is under control of the Bank. He/She is empowered to act in, and resolve all those matters not expressly reserved to the decision of the Board of Directors. The duties of the President are:

- a) To preside over the meetings of the Board of Directors.
- b) To take part in the internal commissions of the Board of Directors.
- c) To propose to the Board of Directors the appointment of the General Manager, Deputy General Managers and Departmental Managers of the Bank.
- d) To appoint, transfer, promote and impose sanctions on the officers and employees of the Bank, according to the rules issued by the Board of Directors, informing the same about the decisions adopted.
- e) To propose to the Board of Directors the engagement of temporary personnel for the rendering or performance of services and, only occasionally, for executive or consulting tasks.
- f) On the grounds of urgency, the President may resolve those matters inherent in the Board of Directors together with either the Vice-president and a Director or with two Directors, informing thereof to the Board in the first regular meeting to be held. Any officer replacing the President shall be empowered with the same authority.
- g) To assume the representation of the Institution and to grant the necessary powers for the legal representation of the Bank.

## BOARD OF DIRECTORS

### ARTICLE 15

The Board of Directors shall:

- a) Establish the rules for the economic and financial performance of the Bank, decide on transactions with customers, and resolve the cases not specified in such rules.
- b) Determine the characteristics and conditions of the transactions of the Bank and fix the interest rates, discounts, commissions and terms therefor.
- c) Prepare and approve the annual budget, its readjustments and the plan of action of the Bank, submitting them to the Ministry of Economy for their information. (Subsection deleted by Art. 41 of Law 22602 of General Budget for Year 1982).
- d) Establish the regime of contracts, subsidies and donations to be followed by the Bank.
- e) Establish the functional organization of the Bank and issue the internal rules, as well as the administrative and accounting regulations.
- f) Create and close branches, agencies, offices, and any other kind of representative offices in the country and abroad pursuant to the provisions of Article 8. Settle correspondent offices and appoint correspondents.
- g) Issue statutes, rules and working and operating conditions of branches abroad and the salary policy for their Argentine or foreign personnel, taking into consideration the legislation, banking characteristics and customs and practice of each country.
- h) Establish the plan of acquisition and sale, under any system of ownership, of the premises necessary for real estate transactions or for the performance of the Bank, as well as for their building or repair, assigning them fully or partially to its use and disposing of the unused portion.
- i) Fix the regime of acquisition, repair, conservation and disposal of those properties guaranteeing the credits of the Bank.
- j) Establish for each fiscal year the amortization, write-offs, provisions, and allowances and fix the amounts to be assigned in order to increase the capital, and for such other purposes as set forth in Article 5.
- k) Approve the annual balance sheet of the Bank, the profit and loss account and the annual report, which shall be submitted to the National Executive Branch and published under the provisions of Article 6.
- l) Appoint the General Manager, the Deputy General Managers and Departmental Managers of the Bank, proposed by the President.
- m) Approve the engagement of temporary personnel for the rendering or performance of services and, only occasionally, for executive or consulting tasks.
- n) Discharge from services or exonerate officers and employees of the Bank. Issue the statute of the personnel of the Bank, ruling their admission, permanence, salary, promotion, social and welfare service, training, disciplinary system, licenses, incompatibilities and removal.
- o) Appoint every year the Second Vice-president among the Directors, who shall replace the President or Vice-president, when applicable.
- p) Appoint the Directors, Statutory Auditors, Trustees or Auditors in the companies or syndicates it takes part in.

The above mentioned functions are merely illustrative and do not prevent the performance of any other act inherent in the aims of the Institution and the better fulfillment of its purposes.

## **ARTICLE 16**

Every year, not later than in the last meeting of the Board of Directors to take place in the month of November, the short and medium term plan of action to be developed by the Bank as from the following fiscal year shall be approved. This plan of action shall be submitted to the Ministry of Economy.

## **ARTICLE 17 (Wording pursuant to Article 30 of Decree 95 /2018)**

The President or whoever replaces him/her shall summon the meetings of the Board of Directors at least twice a month or upon request by three of its members or the Statutory Auditor.

A quorum shall be present with the attendance of five members and the President or whoever replaces him/her. In the meetings, resolutions shall be adopted by simple majority of votes of the members present, except for those matters lacking the previous approval of the corresponding administrative level, where two-thirds of the votes of the members present shall be necessary. In case of tie, the President shall have two votes.

The vote is compulsory for all the members of the Board of Directors present, except for reasonable excuse accepted by said body.

## **ARTICLE 18**

Every resolution of the Board of Directors infringing the legal system of the Bank, the financial institutions policy or the provisions of the Central Bank of the Republic of Argentina shall make its members jointly and severally liable except for those who had evidenced their negative vote.

The members of the General Management and the Statutory Auditor shall be equally liable provided that they have not stated their opposition or disagreement in the Minutes of the respective meeting or through the relevant reports in case of absence.

## **CHAPTER VI - GENERAL MANAGEMENT**

### **ARTICLE 19**

The management of the Bank shall be exercised through the General Manager assisted by a Managerial Committee made up by the Deputy General Managers. All of them shall be Argentine citizens, either native or by option, or naturalized, having exercised their citizenship for a minimum period of ten years, shall be persons of well-known competence in economics and banking, shall not be included in the provisions of incapacity mentioned in Article 13, and shall not have any other remunerated job, except for teaching activities.

The Board of Directors shall appoint the Deputy General Manager proposed by the President, who shall act as General Manager in case of absence, incapacity or vacancy in the office.

### **ARTICLE 20**

The General Manager and the Deputy General Managers are the immediate advisors of the President, Vice-president and Directors, and in such capacity, they shall attend the meetings of the Board of Directors. The General Manager shall be responsible for the enforcement of the rules, regulations and resolutions adopted by the Board of Directors, and may issue any internal regulations necessary to that end.

## **CHAPTER VII - SUPERVISION**

## ARTICLE 21

The observance by the Bank of the provisions of this Charter and other applicable laws, decrees, resolutions and provisions shall be supervised by a Statutory Auditor appointed by the National Executive Branch.

The provisions of the Accounting Law are only applicable to the Bank as regards the supervision of expenses falling within the scope of its administrative budget through the rendering of accounts in writing, which shall be submitted on an annual basis to the National Government Accounting Office.

The Statutory Auditor who shall exercise the control of legality and the accounting system shall be a lawyer, a university graduate in economics or a certified public accountant, and shall fulfil the other conditions required for Directors. He/She shall hold office for two years and may be reappointed.

Should the Statutory Auditor die, resign or become disabled, or otherwise leave the position vacant, another person shall be appointed in order to complete the corresponding term.

## ARTICLE 22

The duties of the Statutory Auditor are:

- a) To make the cash counts, controls, inspections and verifications he/she may deem necessary in connection with the operative, accounting, budgetary and administrative matters in order to check that the actions and resolutions of the Bank are in compliance with the relevant regulatory and legal provisions.

He shall sign the year-end Balance sheets and the profit and loss account.

- b) To attend the meetings of the Board of Directors in which he/she may express his/her opinion without the right to vote.
- c) To call a meeting of the Board of Directors whenever necessary for the discussion of matters connected with the performance of their duties.
- d) To inform the Board of Directors and the National Executive Branch through the Ministry of Economy of the operative performance of the Institution.

In exercising his/her duties he/she shall be subject to the liabilities set forth by the National laws applicable to this position.

## ARTICLE 23

The officers of the Bank shall facilitate the work of the Statutory Auditor by furnishing all the necessary means and information.

## CHAPTER VIII - TRANSACTIONS

### ARTICLE 24

The Bank shall be able to perform, either by itself or together with other domestic or foreign entities, all such activities and transactions not forbidden to commercial banks or to the type of entities taking part, under the Law of Financial Institutions.

Without prejudice of the foregoing, the Bank shall be able:

- a) To receive any kind of demand and time deposits and to raise special resources.
- b) To obtain credits in the country and abroad and act as intermediary in credits obtained in local or foreign currency.
- c) To transact with bonds and securities.





- d) To issue bonds and other liabilities.
- e) To grant short-, medium- and long-term credits.
- f) To organize, promote or participate in the creation or settlement of banks, syndicates or international banking institutions acting either alone or associated with other national, foreign or international financial entities or public or private institutions, in the country or abroad, having the purpose of making transactions in the country or abroad, being able to have its main offices in the Argentine Republic or abroad, upon prior authorization of the Central Bank of the Republic of Argentina and express approval of the Ministry of Economy, through the subscription and paying-in of shares, debentures or any other kind of securities.
- g) To promote the creation of syndicates with the purpose of developing and promoting Argentine exports and to participate in them or in those already existing, both in the country and abroad, together with national financial entities and other public or private entities with national capital; being also able to do it with foreign and international entities, upon prior authorization of the Central Bank of the Republic of Argentina and express approval of the Ministry of Economy.
- h) To promote the creation of companies abroad in order to facilitate the export of Argentine goods, services and technology, in which it may take part upon prior authorization of the Central Bank of the Republic of Argentina and express approval of the Ministry of Economy, through the contribution of capital assets, subscriptions, paying-in of shares, debentures and any other kind of securities and the granting of financing.
- i) To purchase, sell and administer assets in the country and abroad upon prior authorization of the Central Bank of the Republic of Argentina and express approval of the Ministry of Economy, provided that such transactions are connected with the promotion and financing of foreign trade.
- j) To render the necessary services in order to facilitate the development of foreign trade business, acting within the international competitive policies.
- k) To enter into complementation agreements with other institutions in the country or abroad.
- l) To invest in bonds or listed government securities.
- m) To acquire real estate, shares and bonds in guarantee or in payment of its credits, and to make the necessary investments for its better utilization and realization, granting the required facilities for that purpose, when necessary.
- n) To grant bonds and any other kind of guarantees in local or foreign currency.
- o) To make foreign exchange transactions.
- p) To act as correspondent, agent or representative of other banks or financial entities in the country or abroad, within its specific purposes.
- q) To accept securities and documents in safe-keeping and to lease safe-deposit boxes.
- r) To grant and accept agencies in relation with its transactions and to administer negotiable securities portfolios.
- s) To offer the services required by the market provided they are not inconsistent with those set forth in the provisions of Article 3 of this Charter. This statement does not exclude other transactions not forbidden.

### **ARTICLE 25 (Wording pursuant to Article 3 of Law 25299)**

The Bank shall not be able to grant credits to the Nation, the provinces or municipalities, or to the institutions or entities depending thereon, except in case they have a special guarantee of the Secretaría de Hacienda del Ministerio de Economía (Secretariat of the Treasury, Ministry of Economy) enabling the effective automatic reimbursement of the credit.

Such guarantee may be waived with the assignment, by the borrowers, of the co-participation federal resources, or funds from other public or private sources, provided that the automatic reimbursement of the credit is allowed.

The commercial or industrial entities or utilities pertaining to the National State, the provinces or municipalities and the enterprises pertaining wholly or partially to any of them, which are empowered to make contracts as institutions of private law; provided that they have independent assets, that they do not depend exclusively on allowances granted by the State and that their resources are enough to fulfil their obligations with the Bank, are exempted from this prohibition.

## **CHAPTER IX – GENERAL PROVISIONS**

### **ARTICLE 26**

The relations between the Bank and the National Executive Branch shall be maintained through the Ministry of Economy, except for the simple proceedings which shall be communicated directly to the corresponding public entities.

### **ARTICLE 27**

The Bank, as an entity of the National State, is submitted exclusively to the federal jurisdiction. In case of being plaintiff in a legal proceeding, the federal jurisdiction shall be concurrent with the ordinary courts of the provinces, and the federal national jurisdiction over civil and commercial matters of the Federal Capital shall be concurrent with the national ordinary courts.

The Bank is empowered to refrain from filing a jurisdictional defense when acting in foreign countries performing commercial transactions as an institution of private law.

### **ARTICLE 28**

The assets of the Bank, whatever their origin or destination, including those acquired in guarantee or in payment of its credits, its own actions and those of its representatives, as well as the transactions made by the Bank, shall be exempted, for that part of the tax not in charge of third parties, from payment of any contribution or national tax whatsoever.

The Bank shall agree with the provinces or municipalities the exemptions that might be granted to it.

### **ARTICLE 29 (Wording pursuant to Article 4 of Law 25299)**

Mortgages of any kind whatsoever created in favor of Banco de la Nación Argentina shall have the same prerogatives, privileges and special foreclosure regime granted to former Banco Hipotecario Nacional by its charter.

The same system shall be applied to the mortgage pre-annotations ordered with respect to any obligations entered into with the Bank, even those overdue.

The effects of the registration of mortgages shall continue until the full redemption of the mortgage bond notwithstanding the provisions of the Civil Code. The limitations stated in Article 3936 of the mentioned Code, as regards to the expiration of the privilege of the interest for the non-foreclosure, are not applicable to the mortgage credits of the Bank either.

### **ARTICLE 30**

El Presidente del Banco absolverá por escrito posiciones en juicio, no estando obligado a comparecer personalmente.

### **ARTICLE 31**

The remuneration of the President, Vice-president, Directors and Statutory Auditor shall be fixed by the National Executive Branch.

## **ARTICLE 32**

The general rules issued or to be issued for the institutions of the national public administration, whatever their legal nature, which may result in restrictions on the capacity or the powers granted by this Charter, shall not be applicable to the Bank unless otherwise provided by law. When the Bank acts in foreign countries as an institution of private law, the provisions of the Law of Financial Institutions as well as other regulations issued consequently shall not be applicable thereto.