



# Corporate Governance Code

Versión VI



Banco de la  
Nación Argentina

## **CORPORATE GOVERNANCE CODE**

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## **1. GENERAL CONCEPTS**

### **1.1 GENERAL CONCEPTS**

This Corporate Governance Code consolidates the principles and practices adopted by Banco de la Nación Argentina (hereinafter BNA) provided for under Communication “A” 5201 and supplementary communications of the Central Bank of the Republic of Argentina (hereinafter BCRA) on “Guidelines for the Corporate Governance in Financial Institutions”.

The Board of Directors of BNA has approved this Code assuming the significance of having a good corporate governance in order to consolidate a model based on transparency and accountability, corporate social and environmental responsibility and an adequate risk management framework, promoting equity and ensuring the right to equal opportunities and no gender-based discrimination.

### **1.2 SCOPE OF THE GUIDELINES**

This Corporate Governance Code defines the structure, composition, and responsibility of the governing bodies of BNA and refers to the development of its activities in order to achieve the purposes set forth in its Charter, in accordance with governance best practices and transparency policies in the Corporate Governance management of BNA Group Companies.

### **1.3 DEFINITION**

The Corporate Governance Code is a set of rules that govern the several activities and businesses performed by BNA and the operation of its governing bodies, pursuant to the Bank Charter and the legal rules in force applicable to the financial sector.

Indeed, the Corporate Governance Code deals with the manner in which the Board of Directors and Top Management conduct their businesses, which impacts on the way of:

- Establishing the policies in order to comply with the purposes of the Institution.
- Ensuring that the institution’s businesses meet the required security and solvency levels and that they are in compliance with the laws and other regulations in force.
- Defining the risks to be assumed by the Institution.
- Protecting the interests of the depositors.
- Assuming their responsibilities towards stakeholders.
- Performing daily transactions.

### **1.4 LEGAL SYSTEM**

BNA is a State-owned autarchic entity created by Law No. 2841 passed by the National Congress on 10/16/1891. Its Charter in effect was enacted through Law No. 21799 “Charter of Banco de la Nación Argentina”, dated 05/18/1978, published in the Official Gazette on 06/16/1978, as supplemented and/or amended.

Pursuant to its legal nature it has budgetary and administrative autonomy; it is governed by the provisions under Law No. 21526 “Law on Financial Institutions”, its Charter and other related legal rules, acting in coordination with the economic and financial policies established by the National Government. The general rules issued for the organization and operation of the National Public Administration, particularly the acts that may result in restrictions on the legal capacity or powers granted by reason of its specific regime shall not be applicable to the Bank (Charter Art. 1).

The Bank’s transactions are guaranteed by the Republic of Argentina (Charter Art. 2) and its registered office is that of its Head Office, located at Bartolomé Mitre 326 in the City of Buenos Aires (Charter Art. 7).

## **1.5 HISTORY**

BNA was created during Carlos Pellegrini’s administration, and its Board of Directors was established on 10/26/1891, as a means of overcoming a devastating financial crisis affecting particularly the then-existing banking system. In this regard, the creation “of a big National Bank that would include in its line the entire Republic” was promoted, “with the double purpose of attending to present demands and the future economic development” and it should have “all the guarantees of a good administration”; such was the proposal of President Carlos Pellegrini in his speech to the National Congress when submitting the bill for the creation of the Bank.

According to its law of creation, BNA could perform all the transactions and was entitled to all the rights and prerogatives that had been granted to its predecessor, Banco Nacional. In a few years, it included in its line the entire territory of the country, becoming the largest commercial bank in Argentina, actively participating in the main events of the economic life of the country, strongly contributing to the assistance of the rural sector and to the worldwide recognition of the Republic of Argentina in the agribusiness sector.

Another priority of BNA was providing assistance to small and medium enterprises, as well as guaranteeing the access to the several services with a universal standard, reaching all sectors of the population and providing services all over the country.

Along with such commitments and in line with the innovations occurring in the last decades in banking operations, the institution has diversified its business lines to enter new market segments, especially non-traditional areas, incorporating new practices more related thereto.

## **1.6 PURPOSE**

Art. 3 of the Charter describes as the main purpose of BNA the provision of financial assistance to micro, small and medium enterprises, whatever the business activity in which they are engaged.

In such respect, BNA shall:

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

- Finance the efficient transformation of agriculture and livestock production and its commercialization through all its stages.
- 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.
- Attend to the needs of commerce, industry, mining, tourism, services, and other economic activities.
- Promote a balanced regional development, taking into account the spirit of Article 75 of the National Constitution.

Moreover, BNA shall be able to:

- Grant credits for the acquisition, building or repair of housing.
- Participate in the creation and administration of trusts and in the remaining transactions authorized by Law No. 21526 on Financial Institutions.

In addition, it acts in coordination with the economic and financial policies established by the National Government, and in such sense, it receives government deposits and makes payments for and on behalf of the Republic. BNA complements its business by participating in other companies' share capital: stock-exchange, mutual funds and related services in the financial activity, also providing insurance services in compliance with Law No. 20091 "Insurers and their control" as amended, being subject to its supervisory body.

In such context, BNA has approved the "Regulations on Relations with Related Companies" in which minimum guidelines were established for a clear relation between the Institution and BNA Group Companies, thus allowing to make coordinated functioning between them viable, in order to acknowledge the relevant risks undertaken and to adopt a corporate governance policy in line with the policies established by Banco de la Nación Argentina, with the proper variations for every entity.

## **1.7 INSTITUTIONAL OBJECTIVES**

BNA acts in the Financial System as a market benchmark, by focusing on the support to micro, small and medium enterprises (MiPyMEs) carrying out agricultural, livestock, industrial, commercial, service and technological as well as foreign trade activities, particularly encouraging the export of goods, services and technology.

It makes available to companies producing goods and services credits for investment and working capital, also granting financing and guarantees to the foreign trade activity, and assisting individuals, through personal and mortgage loans for housing and interrelated products.

The Bank promotes financial inclusion by providing financing to microenterprises and entrepreneurs. It also enters into strategic alliance supporting entrepreneurs under cooperation agreements with public, private and mixed-ownership bodies.

It contributes to a balanced regional development by providing the productive activities of every region of the country with its financial products and services.

BNA develops its international activity, both commercial and financial, sustained on a network of operational branches and representative offices abroad which, adapting themselves to the demands of each market they participate in, constitute an essential instrument in the development of international and foreign trade businesses. This structure satisfies a series of basic objectives such as supporting the Bank's business profile, improving and incorporating products that meet the demand of international banking and financial services from our customers; improving relationships and activities with correspondent banks that enable the doing of business; facilitating and promoting a higher growth in the Bank's activity as an instrument for the development of foreign trade, by supporting and advising customers in their international business, backing their presence in fairs and expositions overseas, especially small and medium enterprises (SMEs).

## 1.8 GENERAL ORGANIZATIONAL STRUCTURE

President / Board of Directors								
Board of Directors Secretariat				General Audit				
Legal Advisor to the Board of Directors				Integrity and Compliance				
Gender, Diversity and Human Rights								
Caja de Previsión "Carlos Pellegrini"		General Management						
Legal Affairs				General Management Cabinet				
Integral Risk Management				Strategy, Planning and Control				
Marketing								
Branches and Other Channels	Individual Banking	Corporate Banking	Credit Policy and Risk	Finance	Operations and Treasury	Administration	Systems and Organization	Human Resources
Approved on 08/27/2020								

## 1.9 BOARD OF DIRECTORS

BNA Charter states that the Bank is managed by a Board of Directors, consisting of a President, a Vice President and eight Directors; all of them are native Argentine citizens, by option or naturalized, having exercised their citizenship for a minimum period of ten years (Charter Art. 9).

The President, Vice President and Directors are appointed by the National Executive Branch and remain four years in office, with the possibility of being reappointed (Charter Art. 10 and Art. 12).

### 1.10 PRESIDENT

The President is the legal representative of the Institution and is in charge of management thereof. The President shall observe the fulfillment of the provisions of the Charter and other regulatory and legal provisions, the execution of which pertains to the Bank. The President is authorized to act in and resolve all those matters not expressly reserved to the decision of the Board of Directors (Charter Art. 14).

The duties of the President are:

- To preside over the meetings of the Board of Directors.
- To take part in the internal commissions of the Board of Directors.
- To propose to the Board of Directors the appointment of the General Manager, Deputy General Managers and Departmental Managers of the Bank.
- 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.
- 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.
- On the grounds of urgency, the President may resolve those matters inherent in the Board of Directors together with 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.
- To assume the representation of the Institution and to grant the necessary powers for the legal representation of the Bank.

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 (Charter Art. 10).

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. (Charter Art. 11).

## **1.11 TOP MANAGEMENT**

Management of the Bank is performed by the General Manager assisted by a Managerial Committee composed of the Deputy General Managers (Charter Art. 19) and the Responsible officers of other Organizational Units, reporting directly to the General Management.

The Board of Directors appoints the General Manager, the Deputy General Managers and the Departmental Managers proposed by the President (Charter Art. 14 subparagraph c).

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 (Charter Art. 19).

The General Manager and the Deputy General Managers are the immediate advisors to the President, Vice President and Directors and, in such capacity, they attend the meetings of the Board of Directors, where applicable. The General Manager is 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 (Charter Art. 20).



## **1.12 GENERAL PROVISIONS**

The relationship between the Bank and the National Executive Branch is kept through the Ministry of Finance, except for the simple proceedings, in which case, the Bank deals directly with the corresponding public entities (Charter Art. 26).

The Bank, as an Entity of the National State, is subject exclusively to the jurisdiction of the Federal Courts. When the Bank is plaintiff in a trial, the jurisdiction of the Federal Courts shall be concurrent with that of the Ordinary Courts of the Provinces, and the jurisdiction of the Federal National Courts in Civil and Commercial matters of the City of Buenos Aires shall be concurrent with that of the National Ordinary Courts. The Bank is empowered to refrain from filing a jurisdictional defense when acting in foreign countries, performing commercial transactions as a person under private law (Charter Art. 27).

When the Bank acts in foreign countries as a person under private law, the provisions of the Law on Financial Institutions as well as other regulations issued consequently shall not be applicable thereto (Charter Art. 32).

## **1.13 SUPERVISION**

BNA, pursuant to Law No. 24156 of “Financial Administration and Control Systems of the National Public Sector” is audited by *Auditoría General de la Nación* (the General Audit of the Nation) (hereinafter AGN), as an external controlling body of the National Public Sector, which reports to the National Congress.

The observance by the Bank of the provisions of the Charter, laws, decrees, resolutions, and provisions is supervised by a Statutory Auditor appointed by the National Executive Branch.

The Statutory Auditor who shall exercise the control of legality and accounting system shall be a lawyer, PhD in Economics, or a certified public accountant, and shall fulfill the other conditions required for Directors. The Statutory Auditor shall hold office for two years and may be reappointed (Charter Art. 21).

The duties of the Statutory Auditor are set forth in Art. 22 of the Charter, such as informing the Board of Directors and the National Executive Branch through the Ministry of Finance of the operational performance of the Institution.

## **2. BOARD OF DIRECTORS**

### **2.1 DUTIES**

Pursuant to Art. 15 of its Charter, the Board of Directors shall:

- Establish the rules for the economic and financial management of the Bank, decide on transactions with the customers and resolve the cases not specified in such rules.

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- Determine the characteristics and conditions of the Bank transactions and fix the interest rates, discounts, commissions, and terms therefor.
- Establish the regime of recruitments, subsidies, and donations to be followed by the Bank.
- Establish the functional organization of the Bank and issue the internal rules, as well as the administrative and accounting regulations.
- Open and close branches, agencies, offices, and any other kind of representative offices in the country and abroad according to the provisions of Art. 8 of the Charter. It shall settle correspondent offices and appoint correspondents.
- Issue statutes, rules and working and operating conditions of branches abroad, and the salary policy of their Argentine or foreign personnel, for which the legislation, the banking characteristics and the custom and practice of each country shall be taken into consideration.
- Establish the plan of acquisition and sale, under any system of ownership, of the premises necessary for real estate transactions or for the management of the Bank, as well as for their building or repair, assigning them fully or partially to its usage and disposing of the unused portion.
- Establish the system for the acquisition, repair, upkeep, and sale of any property guaranteeing the Bank's credits.
- 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 under Art. 5 of the Charter.
- Approve the annual balance sheet of the Bank, the statement of income and the annual report, all of which shall be submitted to the National Executive Branch for acknowledgment and publishing in accordance with Art. 6 of the Charter.
- Appoint the General Manager, Deputy General Managers and the Departmental Managers of the Bank, proposed by the President.
- Approve the engagement of temporary personnel for the rendering or performance of services and, only occasionally, for executive or consulting tasks.
- Discharge from services or exonerate officers and employees of the Bank. It shall issue the Bank's Personnel Regulations, ruling their admission, permanence, salary, promotion, social and welfare services, training, disciplinary system, leave, incompatibilities and removal.
- Appoint every year the Second Vice-president among the Directors, who shall replace the President or Vice-president, as applicable.
- Appoint the Directors, Statutory Auditors, Trustees or Auditors in the companies or syndicates in which it takes part.

Additionally, the Board of Directors shall:

- Approve and supervise the implementation of the Corporate Governance Code and the corporate principles and values.

- Promote and review on a regular basis the general business strategies and policies of the financial institution, including those pertaining to risks and the determination of acceptable levels thereof.
- Ensure that managers take the necessary steps to identify, assess, monitor, control and mitigate the risks taken.
- Evaluate annually whether the Corporate Governance Code in force is suitable for its profile, complexity, and importance, recording such evaluation in minutes.
- Enable the acknowledgement of the relevant risks undertaken by BNA Group Companies and the implementation of a Corporate Governance Policy that meets BNA standards in each of such Companies.
- Perform self-assessment of its performance as an entity through the “Assessment of Corporate Governance of Banco de la Nación Argentina” tool.
- Promote training and development of top management by defining ongoing training programs for members thereof and General Management.
- Approve actions and policies for education and training of personnel on gender and gender-based violence matters.
- Promote management mechanisms with a gender equality approach, based on equal opportunities and no gender-based discrimination, applicable in the different areas of business development in the Institution.

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

In accordance with the guidelines issued by BCRA through Comm. “A” 5541 and 5635, all members of the Board of Directors shall be responsible for compliance with the Implementation Plan aimed at the observance of the International Standards.

The Directors that make up the Audit Committee shall be the primary responsible for compliance with the terms and measures established in the Implementation Plan approved.

Pursuant to the adjustments to corporate government guidelines in financial institutions through BCRA Comm. “A” 7100, financial institutions shall aim at gender parity in decision-making instances (Board of Directors, Top Management, and the rest of the organization) and promote training for personnel from a gender perspective.

## **2.2 INDEPENDENCE**

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 the Charter, in order to complete the term (Charter Art. 12).

Pursuant to the provisions set forth in Article 13 of the Charter, the following persons shall not be eligible to act as members of the Board of Directors:

- Those persons included in the provisions of incapacity set forth in the Law of Financial Institutions or lacking a well-known reputation.
- 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 being members of the Board of Directors of Banco de la Nación Argentina, they are members of other banking or official institutions.
- 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.
- Those persons who are part of legislative or judicial bodies, whether national, provincial or municipal.

The remuneration of the President, Vice-president, Directors and Statutory Auditor shall be fixed by the National Executive Branch (Charter Art. 31).

## **2.3 STRATEGIC PURPOSES AND INSTITUTIONAL VALUES**

The strategic purposes of BNA are those established in its purpose (Charter Art. 3).

In view of the foregoing, BNA plans its management on a yearly basis through the approval by the Board of Directors of a properly detailed Action Plan divided in subperiods, which is specifically in line with the Business Plan and the projected economic and financial performance, also including estimates of material and human resources, projects and products needed to achieve the purposes set by the Institution.

Said planning tools are generated with different views, including those of business units abroad and BNA Group Companies. The control of such purposes is performed on a regular basis according to the characteristics of the assessed instrument.

Such process is communicated to the different levels of the organization, establishing priorities, specific responsibilities, and project execution terms, in order to achieve the pursued purposes in a coordinated and systematic way.

Integrity, commitment to customers and the community, respect, honesty, aptitude, and reliance are deep-rooted values in the culture of our Institution and guide its actions, and we are constantly working to disseminate them in the society. The ethical, quality and security vision accompanying our daily work strengthen the history and image of the Bank, thus maintaining our prestige through more than 129 years of active presence in the life of our country.

Among other values:

- BNA promotes the significance of having adequate corporate governance practices, and principles such as “transparency”, “efficiency”, “protection of the investor public” and “ethics and commercial conduct rules” for the purpose of providing information in order to make efficient decisions on contracting financial products.

- BNA offers its customers several service channels for inquiries, product requests, suggestions, claims and/or complaints, which are served by a skilled team.
- BNA guarantees customers the control and good use of their personal data and undertakes to adopt any technical and organizational measures necessary to guarantee the security, confidentiality and integrity in the management of family, postal, tax and personal data. In this regard, BNA's databases are registered with the National Database Registry, being the first commercial public bank to comply with Law No. 25326 ("*habeas data*"), Art. 21, (Personal Data Protection).
- BNA encourages clarity and transparency of financial information on its website [www.bna.com.ar](http://www.bna.com.ar), informing the guidelines and recommendations regarding compliance with investor protection rules in relation to the public offering of securities, shares, mutual funds, etc.
- BNA promotes a culture of institutional integrity and, among other things, undertakes not to provide services to offshore banks (banks that are not allowed, as incorporated in their banking license, to advance transactions with citizens of their home country or in the local currency of their home country), Internet banks (banks operating only through the Internet, having no physical offices) and shell banks (banks incorporated in a jurisdiction in which they have no physical presence, or which are unaffiliated with a financial group).
- BNA, since the enactment of Law No. 25246 on Concealment and Laundering of Proceeds of Crime, is committed to fighting against Money Laundering and Terrorist Financing. Therefore, it has designed and implemented internal control policies and procedures to ensure fulfilment of its purposes, and that its products and services are not used for illegal purposes.

## **2.4 RESPONSIBILITIES**

The Board of Directors collectively acts and resolves all issues in accordance with the regulations governing the financial sector, the Charter provisions, the internal rules and regulations, according to the specific needs of the banking business.

The President or whoever replaces them 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 (Charter Art. 17 - Wording pursuant to Article 30 of Decree No. 95/2018).

A quorum shall be present with the attendance of five members and the President or whoever replaces them. 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 a tie, the President shall have two votes.

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

Every resolution of the Board of Directors infringing the legal system of the Bank, the financial institutions policy or the provisions of Banco Central de la República Argentina shall make its members jointly and severally liable except for those who had evidenced their negative vote (Charter Art. 18).

### **3. TOP MANAGEMENT**

Top Management is composed as follows: The General Manager, the Deputy General Managers and the Heads of other Organizational Units reporting directly to the General Management.

The General Manager and the Deputy General Managers 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 Art. 13 of the Charter, and shall not have any other remunerated job, except for teaching activities (Charter Art. 19).

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 (Charter Art. 19).

#### **3.1 RESPONSIBILITIES**

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 (Charter Art. 20).

Every resolution of the Board of Directors infringing the legal system of the Bank, the financial institutions policy or the provisions of Banco Central de la República Argentina shall make the members of the General Management jointly and severally 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 (Charter Art. 18).

Top Management members shall have the skill and experience needed in the financial activity to manage the business under their supervision, as well as the proper control of personnel in such areas, according to the responsibility for their corresponding duties and functions.

When conducting their duties, in their specific fields of competence, they are responsible for ensuring the achievement of the strategic purposes and institutional values, by managing the commercial, operational, administrative, and control issues in connection with the policies established by the Board of Directors and enforcing the internal regulations and those of the corresponding controlling bodies.

Furthermore, they shall implement the strategies and policies approved by the Board of Directors; develop the processes that identify, assess, monitor, control and mitigate the risks taken by the Institution; and implement appropriate internal control systems and monitor the effectiveness thereof reporting regularly to the Board of Directors on compliance with the objectives.

Top Management shall be responsible for:

Ensuring that the Bank's activities are consistent with the business strategy, the policies approved by the Board of Directors and the risks taken.

Implementing policies, procedures, processes, and controls necessary to manage prudently the transactions and risks; complying with the strategic objectives set by the Board of Directors and ensuring that it receives relevant, comprehensive, and timely information allowing it to assess performance and verify whether the responsibilities assigned thereby are effectively fulfilled.

Implementing appropriate internal control systems and monitoring the effectiveness thereof, reporting regularly to the Board of Directors on compliance with the objectives.

Using effectively the work carried out by internal and external audits and the duties related to the internal control system.

## **3.2 MANAGERIAL DECISIONS**

The General Manager, the Deputy General Managers and the Departmental Managers shall meet at least every two (2) weeks in the context of a commission named "General Management Committee" where managerial decisions to be adopted by the Institution are discussed, in agreement with the Board of Directors provisions.

Such decisions are taken based on the opinions of the various related Committees, trying not to become involved in the decision making on insignificant matters of business.

The foregoing is in agreement with the regulations in effect, and the business strategy defined by the Institution.

## **4. COMMISSIONS AND COMMITTEES**

### **4.1 BOARD COMMISSIONS**

For a better work organization, those issues to be addressed by the Board of Directors shall be analyzed with the participation of several Commissions together with senior managers and the responsible administrative officers of the various areas of the functional structure.

The Commissions' mission is to advise the Board of Directors about the decisions to be made in matters of their area. Consequently, matters of the Board of Directors are not resolved by the Commission.

Commissions enable to acknowledge matters or reports which may result in background information for future resolutions or consequences of prior resolutions or other matters of procedural nature without submitting the matter to the Board of Directors. In the event that the significance of the relevant matter requires participation of the Board of Directors, the Commission may put the matter to consideration of the Board of Directors at their meeting.

The matters to be addressed by the different Commissions are submitted with all the required background information for their assessment, including those pertaining to the functional areas which activities are within the scope of another Commission.

All Board of Directors' decisions should be adopted in plenary meetings.

When the creation of a Committee for addressing certain issues is required under regulations by the Central Bank of the Republic of Argentina, the relevant Commission may assume such responsibility if so provided for.

#### **4.1.1 COMPOSITION**

As provided for in BNA Charter, the President of the Bank shall take part in the Internal Commissions of the Board of Directors together with members thereof (Charter Art. 14 subparagraph b).

These Commissions are composed of at least three (3) Directors, who shall act as President, Vice President and Member. The General Manager, the Statutory Auditor and officers from the different areas participate in the meetings in accordance with the duties of each Commission.

#### **4.1.2 OPERATION**

The President may attend and preside over any Commission whenever they deem it appropriate.

In each Commission, the issues to be addressed shall be presented by a responsible administrative officer of the highest reporting level in the relevant Area, who shall be able to summon the officers they deem necessary.

Each Director that is a member of a Commission shall be able to summon an Advisor to attend the meeting, who shall be able to render an opinion whenever required by the President of the relevant Commission.

In order for a Commission to be held, it shall form quorum with the attendance of the President and the Vice President thereof, or any of them and a Director. Should both be absent, quorum may be formed with the President and the Vice President of the Board or another Director. Committees shall be governed by their respective regulations and, alternatively, by these provisions.

All Directors shall be able to attend the meetings of any Commission even when they are not appointed as members thereof.

Each Commission shall only address matters of concern pertaining to the Area submitting them. In the event that the foregoing matters are related to other areas and are deemed necessary for the fulfillment of their objectives, upon approval of discussion thereof at the Commission, they shall be referred to the relevant Area for escalation to other relevant Commissions. It should be stated that the Commissions' duties and responsibilities are reviewed and updated on an ongoing basis taking into consideration the dynamic nature of the topics to be addressed.

The Resolutions approved will entail a recommendation to the Board of Directors and shall be adopted by simple majority of votes of the Members of the Board of Directors present. In case of a tie, the President of the Commission shall have two votes.

The General Manager and the responsible officer of the highest reporting level in charge of the Resolution shall be able to render an opinion in the meetings, which shall be recorded in the corresponding Minutes although they shall not be allowed to vote, unless voting is required under the Committees' regulations provided by the Central Bank of the Republic of Argentina.

Each Commission shall meet on a weekly basis on the days and at the times established by the Board of Directors' Secretariat of the Bank.



Commissions are composed as follows:

- **ADMINISTRATION**
- **SYSTEMS AND ORGANIZATION**
  - INFORMATION TECHNOLOGY COMMITTEE
- **FINANCE**
- **STRATEGY, PLANNING AND CONTROL**
- **INTEGRAL RISK MANAGEMENT**
  - INTEGRAL RISK MANAGEMENT COMMITTEE
- **INDIVIDUAL BANKING**
- **CORPORATE BANKING**
- **MARKETING AND PRESS AND PUBLIC RELATIONS**
- **BRANCHES AND OTHER CHANNELS AND OPERATIONS AND TREASURY**
- **CREDIT POLICY AND RISK**
- **HUMAN RESOURCES**
- **BOARD OF DIRECTORS' AFFAIRS**
- **GENERAL AUDIT**
  - AUDIT COMMITTEE
- **INTEGRITY AND COMPLIANCE**
  - FINANCIAL SERVICES USER PROTECTION COMMITTEE
  - SUSTAINABILITY AND INCLUSION COMMITTEE
  - ETHICS COMMITTEE
  - SECURITY COMMITTEE
- **LEGAL AFFAIRS**
- **COMMITTEE FOR THE CONTROL AND PREVENTION OF MONEY LAUNDERING, FINANCING OF TERRORISM AND OTHER ILLEGAL ACTIVITIES**
- **GENDER, DIVERSITY AND HUMAN RIGHTS**

Other Committees:

- **ASSET LIABILITY MANAGEMENT COMMITTEE**
- **INSTITUTIONAL COORDINATION OF COMPANIES CONTROLLED BY BANCO DE LA NACIÓN ARGENTINA COMMITTEE**

## **4.2 COMMITTEES OF THE BOARD OF DIRECTORS**

### **4.2.1 AUDIT COMMITTEE**

The operation of the Committee is established in the “Internal Regulations” approved by the Audit Committee. It has the responsibilities and duties established by the Central Bank of the Republic of Argentina in its Minimum Internal Control Standards.

#### **4.2.1.1 PURPOSE**

The Audit Committee is intended to be an integral part of the Internal Control system, by analyzing the observations made by the Internal Audit and all external controlling bodies and conducting a follow-up of the implementation of recommendations. It coordinates the internal and external control duties of the various controlling bodies (External Audit, Superintendence of Financial and

Exchange Entities, *Sindicatura General de la Nación* –the National Comptroller’s Office–, risk rating agencies, foreign controlling bodies, etc.); it coordinates the internal and external audit duties interacting within the financial institution and within group companies subject to “Consolidated Supervision” regulations; It cooperates with the Institution’s Board of Directors in the fulfillment of its obligation to supervise financial reporting; the internal control system and risk management; the Internal and External Audit activity, the safeguarding of assets, and compliance with the laws and regulations in force (for all jurisdictions).

#### **4.2.1.2 COMPOSITION**

The Bank’s President, by virtue of their powers, decides on the composition of the Audit Committee, as well as any subsequent amendments thereto.

The Committee is composed of at least:

- Two (2) Members of the Board of Directors (\*)
- The Auditor General

(\*) One of the Directors is appointed President of the Committee and the other, Vice President.

#### **4.2.1.3 RESPONSIBILITIES AND DUTIES**

The Audit Committee has the responsibilities and duties established by BCRA in its Minimum Internal Control Standards for Financial Institutions, as well as in the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors (TIIA – USA).

Noncompliance with the Minimum Internal Control Standards for Financial Institutions issued by BCRA shall result in the imposition of penalties on the Audit Committee members pursuant to Article 41 of the Law on Financial Institutions irrespective of the Board of Directors’ responsibility.

#### **4.2.1.4 PERIODICITY**

The Audit Committee shall meet at least on a monthly basis.

This frequency may be increased pursuant to rules on Board Commissions and/or as expressly required by any of its members.

### **4.2.2 COMMITTEE FOR CONTROL AND PREVENTION OF MONEY LAUNDERING, FINANCING OF TERRORISM AND OTHER ILLEGAL ACTIVITIES (CCP)**

#### **4.2.2.1 PURPOSE**

The Committee for Control and Prevention of Money Laundering, Financing of Terrorism and other Illegal Activities (CCP) assists the Compliance Officer in designing and implementing the strategy for control and prevention of money laundering, financing of terrorism and other illegal activities, in accordance with legal and administrative rules in force, in order to minimize criminal, civil,

commercial or any other type of liability, both of the Institution and its officers, following the guidelines, principles and policies designed and implemented by the Bank's Top Management.

The Departmental Management of Anti-Money Laundering and Financing of Terrorism, following the instructions of the Compliance Officer, submits to the CCP the issues to be discussed and subsequently submitted to the Board of Directors.

#### **4.2.2.2 COMPOSITION**

The Committee is composed of at least:

- Three (3) Members of the Board of Directors (\*)

In accordance with the agenda, in CCP meetings participate:

- The Statutory Auditor,
- AML/CFT Coordination,
- General Management Cabinet,
- Deputy General Management of Integrity and Compliance,
- Deputy General Management of General Audit,
- Deputy General Management of Operations and Treasury,
- Deputy General Management of Systems and Organization.

(\*) The Board of Directors of BNA appoints the Members of the CCP acting as President, Vice President and Member thereof.

The CCP may require the participation in meetings of other Officers or Representatives of the Bank when deemed necessary to address any relevant matter.

#### **4.2.2.3 RESPONSIBILITIES AND DUTIES**

The CCP shall perform the duties established by BCRA and the Financial Intelligence Unit (FIU) and it shall assist the Compliance Officer in the adoption of and compliance with policies and procedures necessary for a good performance of the Prevention of Money Laundering and Financing of Terrorism System. Moreover, *inter alia*, it shall:

- Get acquainted with the Action Plan and Budget of the AML/CFT Unit and, in the event of any comments regarding its nature, scope or timing, the CCP shall discuss them at the meetings.
- Analyze from time to time the above-mentioned plan and review compliance therewith.
- Review the reports issued by the AML/CFT Unit related to suspicious transactions to be submitted to competent authorities.
- Coordinate and conduct the operational tasks necessary to comply with the regulations in force in this regard by following the policies provided from time to time.

#### **4.2.2.4 PERIODICITY**

The CCP shall hold meetings every two weeks. When necessary or urgent, the Compliance Officer, or whoever replaces them, may request that special meetings be held.

### **4.2.3 INFORMATION TECHNOLOGY COMMITTEE (CTI)**

#### **4.2.3.1 PURPOSE**

The Information Technology Committee (hereinafter, the CTI) assists the Board of Directors in designing and implementing information technology and related security strategies, including in this latter case the development of the proper infrastructure, in order to minimize losses that may occur due to weaknesses in the Bank's security systems, and criminal, civil, commercial or any other type of liability, both of the Institution and its officers. In every case, following the guidelines, principles and policies designed and implemented by the Bank's Top Management.

#### **4.2.3.2 COMPOSITION**

The Committee is composed of at least:

- Three (3) Members of the Board of Directors (\*)

In CTI meetings participate:

- The General Manager
- The Deputy General Manager of Systems and Organization
- The Heads of Information Security and IT Audit areas

(\*) The Board of Directors of BNA appoints the members of the CTI acting as President, Vice President and Member thereof.

The CTI may summon other Deputy General Managements or Departmental Managements to participate in the meetings when considered necessary in order to address any issues related thereto.

#### **4.2.3.3 RESPONSIBILITIES AND DUTIES**

The CTI shall perform the duties established by BCRA and, among other things, it shall:

- Oversee the correct operation of the Information Technology environment.
- Contribute to the improvement of efficiency thereof.
- Get acquainted with the Information Technology and Systems Plan and, in the event of any comments regarding its nature, scope or timing, the Committee shall discuss them at the meetings.
- Analyze from time to time the above-mentioned plan and review compliance therewith.
- Review the reports issued by the audits related to Information Technology and Systems environment, and supervise the execution, by the General Management, of corrective actions aimed at regularizing or minimizing any weaknesses noted and maintain timely communication with the officers of the IT External Audit Management of BCRA's Superintendence of Financial and Exchange Institutions, regarding the problems identified

during examinations performed at the Institution and the monitoring of actions carried out for their resolution.

#### **4.2.3.4 PERIODICITY**

The Information Technology Committee shall meet at least every two weeks. The members of the committee may summon meetings on a shorter notice, as deemed necessary, in accordance with the urgency of the matters to address.

### **4.2.4 INTEGRAL RISK MANAGEMENT COMMITTEE (CGIR)**

#### **4.2.4.1 PURPOSE**

The Integral Risk Management Committee is established for the purpose of making the decisions concerning the significant risks to which BNA is exposed, being in charge of ensuring that risk management policies, practices and procedures are appropriate in terms of its risk profile and its business and action plans, and that such decisions are effectively implemented in compliance with BCRA provisions, promoting the development and implementation of best practices in this regard.

At an executive level, identification and follow-up measures will be conducted through the Integral Risk Management Unit, while those related to decision-making processes pertain to the Top Management of the Bank.

#### **4.2.4.2 COMPOSITION**

The Committee is composed of the following permanent members:

- At least three (3) Members of the Board of Directors of the Institution (\*)
- The General Manager.
- The Responsible Officer for the Integral Risk Management Unit.

(\*) The Board of Directors of BNA appoints the members of the CGIR, acting as President, Vice President and Member thereof, one of which shall be a member of the Audit Committee.

Should it be necessary, the responsible officers of business and support areas may be summoned to participate at Committee meetings, according to the nature of the issues under consideration.

#### **4.2.4.3 RESPONSIBILITIES AND DUTIES**

- To propose the policies, strategies, processes, and methodologies for the development of integral risk management, as amended from time to time, submitting them to the Board of Directors for approval.
- To promote the necessary actions to ensure compliance with the regulations in force and the internal policies on risk issues.
- To supervise, on a regular basis, that the risk tolerance level and degree of exposure assumed by the Bank are within the limits set forth by the Board of Directors, by establishing the scope and periodicity of reports to be submitted thereto for discussion.

- To inform and advise the Board of Directors on integral risk management compliance, by periodically reporting the valuation results on the Bank's risk exposure and status as compared to the tolerance limits approved by the Board of Directors, submitting the relevant issues for approval.
- To promote any activities necessary to maintain, administer and develop systems of information, data mining and models for monitoring integral risk exposure and minimum financial resources in order to appropriately cover them.
- To promote the creation of stress test programs to identify conditions that may cause significant adverse impact, in order to assess potential consequences and establish preventive action, where necessary. The Committee shall approve the stress test criteria to be escalated.
- To promote continuous improvement of risk management, by disclosing follow-up conclusions to Bank areas and evaluating mitigation plans proposed, escalating any actions taken to the Board of Directors.
- To encourage the implementation of corrective actions, in cases where deviations regarding the risk tolerance levels and the degree of exposure are observed, with participation of the responsible areas therefor and, if necessary, of the Board of Directors.
- To acknowledge reports issued by the (Internal and External) audit areas and controlling bodies, monitoring the implementation on relevant corrective measures.
- To encourage training on policies, procedures and practices for the Bank's personnel, targeting especially the heads of business and support areas, aiming at full implementation of an integral risk approach on decision-making environments, as well as disclosure of certain management aspects to third parties, where applicable.
- To review and assess the adequacy of the Regulations for the Integral Risk Management Committee on an annual basis.
- To evaluate compliance with duties and performance of the Integral Risk Management Unit.

#### **4.2.4.4 PERIODICITY**

The CGIR meets at least once a month. Additional meetings may be held when required under the circumstances.

### **4.2.5 FINANCIAL SERVICES USER PROTECTION COMMITTEE (CPUSF)**

#### **4.2.5.1 PURPOSE**

The Financial Services User Protection Committee assists the Board of Directors as regards compliance with Financial Services User Protection standards.

#### **4.2.5.2 COMPOSITION**

The Financial Services User Protection Committee is composed of at least the following:

- Two (2) Members of the Board of Directors of the Institution (\*)

(\*) The Board of Directors of BNA appoints the members of the Committee acting as President, Vice President and Member thereof, where applicable.

In Committee meetings participate the following:

- The Deputy General Manager of Integrity and Compliance.
- The responsible officers for the Regulatory Compliance Management, Operational Risk Management and Legal Affairs areas.

The responsible officer for the “Corporate Social Responsibility, Ethics and Compliance” Unit shall attend all meetings of the Financial Services User Protection Committee.

Should it be necessary, other Bank’s officers or representatives may be summoned to participate at Committee meetings according to the nature of the issues under consideration.

#### **4.2.5.3 RESPONSIBILITIES AND DUTIES**

The Financial Services User Protection Committee shall perform all duties as established by BCRA and other Controlling Bodies, in order to comply with the following:

- To supervise proper performance of processes related to financial services user protection according to provisions in effect and standards governing operations related to benefits for financial services users.
- To contribute to improve the above-mentioned processes, related controls and risk management scheme related to financial services user protection.
- To propose to the Board of Directors candidates to act as responsible officers for Financial Services User Support area.
- To participate in the process for definition and approval of new products and services and amendment of existing ones, checking that financial services users’ rights are properly considered, as established by BCRA.
- To supervise proper performance of analysis of events giving rise to claims.
- To review quarterly reports prepared by the responsible officer for the Financial Services User Support area, to approve corrective measures proposed by such officer, and to conduct follow-up of their implementation.
- To review reports issued by internal and external audits and the observations and instructions made and given by the Superintendence of Financial and Exchange Institutions (SEFyC) pertaining to BCRA as regards the financial services user protection process, and to supervise the execution of actions aimed at regularizing or minimizing weaknesses observed in such documents.
- To supervise compliance with reporting requirements from BCRA, as applicable.
- To submit at least on a quarterly basis, a report to the Board of Directors, analyzing any actions taken within the scope of its duties, focusing mainly on the results of the evaluation performed on the quarterly report submitted by the responsible officer for the Financial Services User Support

area. Such report shall be reviewed by the Board of Directors and recorded in the corresponding Minutes Book.

#### **4.2.5.4 PERIODICITY**

The Committee shall meet at least on a quarterly basis. Additional meetings may be summoned under special circumstances.

### **4.2.6 SUSTAINABILITY AND INCLUSION COMMITTEE**

#### **4.2.6.1 PURPOSE**

The Sustainability and Inclusion Committee assists the Board of Directors as regards the Bank's Sustainability Strategy, implementing ethical, social and environmental criteria to the business.

#### **4.2.6.2 COMPOSITION**

The Sustainability and Inclusion Committee is composed of at least the following:

- Three (3) Members of the Board of Directors of the Institution (\*)
- The Deputy General Manager of Integrity and Compliance

(\*) The Board of Directors of BNA appoints the members of the Committee acting as President, Vice President and Member thereof.

The Committee may require, when deemed necessary according to the matter to be addressed, the participation in meetings of the responsible officers for business or support areas or their designees.

The responsible officer for the "Corporate Social Responsibility, Ethics and Compliance" Unit shall attend all meetings of the Sustainability and Inclusion Committee.

#### **4.2.6.3 RESPONSIBILITIES AND DUTIES**

The Sustainability and Inclusion Committee shall be in charge of the following:

- To supervise compliance with corporate actions and policies as regards Sustainable Development in order to comply with the Sustainability Strategy of BNA.
- To promote the development of financial, guarantee and means of payment instruments which may have an ethical, social and environmental impact.
- To supervise compliance with the creation and design process of the Sustainability Report of BNA and compliance thereof with international standards.
- To promote the implementation of the environmental, social and ethical behavior criteria which BNA expects of its value chain.



- To promote implementation of an environmental management internal system, contributing to the optimization and management of natural resources consumption and the administration of waste.
- To promote the implementation of programs and actions for financial education and inclusion aimed at the development of the community.

#### **4.2.6.4 PERIODICITY**

The Committee shall meet at least every two months. This periodicity may be increased, and additional meetings may be summoned under special circumstances.

### **4.2.7 ETHICS COMMITTEE**

#### **4.2.7.1 PURPOSE**

The Ethics Committee assists the Board of Directors as regards compliance with ethics and transparency within the Bank.

#### **4.2.7.2 COMPOSITION**

The Committee is composed of at least the following:

- Three (3) Members of the Board of Directors of the Institution (\*)
- The General Manager
- The Deputy General Manager of Integrity and Compliance.

(\*) The Board of Directors of BNA appoints the members of the Committee acting as President, Vice President and Member thereof.

Should it be necessary, the responsible officers for the BNA's Ethical Line Investigation Units (the Deputy General Manager of Human Resources, the Deputy General Manager of General Audit and/or the Departmental Manager of Legal Affairs), or the Responsible officers for business or support areas may be summoned to participate at Committee meetings, according to the nature of the issues under consideration. In this regard, the Statutory Auditor of the Institution may be summoned considering the significant role under the Escalation System of BNA's Ethical Line.

Additionally, the participation of Committee members may be limited for the purpose of preserving the confidentiality of matters to be addressed as deemed necessary.

The responsible officer for the "Corporate Social Responsibility, Ethics and Compliance" Unit shall attend all meetings of the Ethics Committee.

#### **4.2.7.3 RESPONSIBILITIES AND DUTIES**

The Ethics Committee shall be in charge of the following:

- To boost an ethical culture within the entity.

- To guarantee the performance of BNA's Ethical Line ensuring respect, protection of rights and confidentiality of people participating in the reporting channel.
- To address reports submitted by means of proposals and course of actions, in relation to management of the reports related to BNA's Ethical Line escalated for consideration and to conduct a follow-up, if applicable.
- To contribute to the ongoing enhancement of the Bank procedures, promoting a culture of compliance as regards Ethics and Integrity.
- To implement Training programs on Integrity, Ethics and Transparency in coordination with the "Human Resources" Unit throughout the Institution, including the members of the Board of Directors.
- To evaluate the disputes, conflicts and non-compliance related to the Code of Ethics and/or other documents related to good practice in this regard.

#### **4.2.7.4 PERIODICITY**

The Committee shall meet at least on a monthly basis and additional meetings may be summoned under special circumstances.

#### **4.2.8 SECURITY COMMITTEE (CS)**

##### **4.2.8.1 PURPOSE**

The Security Committee assists the Board of Directors through the Integrity and Compliance Commission as regards the Bank's Security standards and actions.

The Bank's Security covers all tasks relating to physical security of its employees, customers, and the general public, its tangible property, and security of its rights, particularly as regards information security and personal data.

##### **4.2.8.2 COMPOSITION**

The Committee is composed of at least the following:

- Three (3) Members of the Board of Directors of the Institution acting in the Integrity and Compliance Commission, two (2) of which shall be permanent members and the remaining one shall be an alternate member.
- The General Manager of the Institution
- The Departmental Manager of Banking Security

In the Security Committee meetings participate the Responsible Officers for the relevant Areas in accordance with the issues to be addressed.

The members of the Board of Directors of BNA acting in the Integrity and Compliance Commission shall appoint the permanent members acting as President and Vice President of the Security Committee.

In case of temporary absence of the President, the Vice President shall take their place and, in turn, be replaced by the Alternate Director, who shall also replace the Vice President in case of absence.

#### **4.2.8.3 RESPONSIBILITIES AND DUTIES**

The Security Committee shall be in charge of the following:

- To monitor the proper operation of procedures for the detection, containment, and resolution of security incidents.
- To contribute to the ongoing improvement of such procedures, promoting a security culture within the Bank.
- To encourage the preparation of the Banking Security Integral Strategic Plan, in line with the objectives of the Institution, and its implementation.
- To acknowledge reports describing the actions taken under the Strategic Plan.
- To maintain proper communication as regards security matters.
- To promote training plans and the dissemination of an institutional culture regarding security matters.
- To acknowledge the reports issued by the audit areas on the matter and to supervise the execution of action plans aimed at regularizing and/or minimizing any weaknesses observed.
- To evaluate the implementation of security measures, in compliance with new standards or for the purpose of implementing improvements on the existing procedures.

#### **4.2.8.4 PERIODICITY**

The Security Committee shall meet at least every two months. The members of the committee may summon meetings on a shorter notice, as deemed necessary, in accordance with the urgency of the matters to be addressed.

### **4.3 GENERAL MANAGEMENT COMMITTEES**

#### **4.3.1 GENERAL MANAGEMENT COMMITTEE**

As per Article 19, “Chapter VI – General Management” of the Charter of Banco de la Nación Argentina, the management of the Bank shall be exercised by the General Manager, assisted by a Managerial Committee composed of the Deputy General Managers. Under Article 20 of the Charter, it is established that 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.

##### **4.3.1.1 PURPOSE**

Taking into consideration the above-mentioned articles, this Committee is created to improve work organization, by analyzing the issues to be addressed by General Management with responsible and administrative officers of the different areas within the Bank’s structure.

It shall discuss relevant issues, aiming at compliance with policies and objectives established by the Board of Directors and General Management of the Institution, by proactively participating in relations among the Deputy General Managements and strengthening communication channels among the areas and with Business Units.

Deputy General Managers shall put to consideration any issues they consider relevant for the areas they manage and that may affect the Bank and/or its position within the banking and financial system, reporting any irregular situation observed in their Areas.

#### **4.3.1.2 COMPOSITION**

The General Management Committee shall be composed of the following permanent members:

- General Manager (Chair of the Committee)
- Deputy General Manager of Credit Policy and Risk
- Deputy General Manager of Human Resources
- Deputy General Manager of Strategy, Planning and Control
- Deputy General Manager of Finance
- Deputy General Manager of Individual Banking
- Deputy General Manager of Corporate Banking
- Deputy General Manager of Operations and Treasury
- Deputy General Manager of Administration
- Deputy General Manager of Systems and Organization
- Deputy General Manager of Branches and Other Channels
- Deputy General Manager of Integral Risk Management
- Departmental Manager of Legal Affairs
- Departmental Manager of Marketing
- Departmental Manager of General Management Cabinet

Together with these permanent members, other responsible officers of business and support areas may be summoned to discuss specific issues where deemed necessary given the nature of the items under consideration.

#### **4.3.1.3 RESPONSIBILITIES AND DUTIES**

The most significant are as follows:

- To act as consultant to the General Manager as regards the definition of programs, plans and efficient compliance with institutional objectives, as well as the evaluation of the outcome of such activities.
- To analyze and evaluate beforehand the issues and documents to be put to consideration by the Board of Directors and any other issues raised by the General Manager.
- To analyze and review reports and plans, establishing their scope and periodicity.
- To coordinate dissemination of relevant information to all participants.
- To make proposals of opportunities for improvement to ensure compliance with objectives.
- To conduct follow-up of programs, plans and their schedules, promoting the implementation of corrective action where monitoring results show significant deficiencies.

#### **4.3.1.4 PERIODICITY**

The General Management Committee shall meet every two (2) weeks, on the first business day every other week. However, should any of its members inform any reasons to call a meeting, besides the regular meeting, the General Manager may summon an extraordinary meeting immediately, with mandatory attendance required.

### **4.3.2 INCENTIVES TO PERSONNEL COMMITTEE (CIP)**

#### **4.3.2.1 PURPOSE**

With the purpose of creating a body that, through synergy of the various business and support areas, prepares instruments designed to provide economic incentives to employees, the General Management has decided to formally establish the "Incentives to Personnel Committee".

#### **4.3.2.2 COMPOSITION**

The Committee shall be composed as follows:

- The heads of Business Areas
- The Deputy General Manager of Credit Policy and Risk
- The Deputy General Manager of Human Resources
- The Deputy General Manager of Finance
- The Deputy General Manager of Strategy, Planning and Control
- The Departmental Manager of General Management Cabinet

The responsible officers of other areas may be summoned to discuss specific issues.

#### **4.3.2.3 RESPONSIBILITIES AND DUTIES**

- To make proposals to the Board of Directors as regards the creation, amendment, and elimination of plans with economic incentives to employees and their budget.
- To verify that incentive instruments are aimed at improving quality of customer care and businesses of the Bank, the launching of new products and control of absenteeism, under return, productivity, and reciprocity principles.
- To comply with specific Human Resources standards.
- To establish objective, verifiable, auditable, and homogeneous estimates for all Business Units.
- To communicate the creation and amendment of incentive instruments, and any updates, to the Business Units.

#### **4.3.2.4 PERIODICITY**

The Incentives to Personnel Committee shall meet at least on a quarterly basis. Additional meetings may be summoned under special circumstances.

## **5. INTERNAL AND EXTERNAL AUDITS. INTERNAL CONTROLS. SUPERVISION AND COMPLIANCE.**

### **5.1 AUDITS**

#### **5.1.1 INTERNAL AUDIT**

The Internal Audit process at BNA is performed by the Deputy General Management of General Audit, which main duty is to conduct the assessment and monitoring of internal control of the Institution and BNA Group Companies under its supervision. The area has been designed to add value and improve transactions and conducts its assurance and consultation activity independently and objectively. It helps the Institution fulfill its purposes by providing a systematic and disciplined approach in order to assess and improve the effectiveness of risk management, control, and governance processes.

The scope of the General Audit activity is to establish that the Internal Control System related to the risk management, control and governance processes designed, both in the Financial Institution and in BNA Group Companies under review represented by the respective managements, are adequate and working so as to ensure that risks are properly identified and managed; there is interaction with the various government groups; important financial, administrative, and operational information is accurate, reliable, and timely; employees comply with applicable policies, rules, procedures, regulations, and laws; resources are used efficiently and are adequately protected; programs, plans and objectives are met; quality and continuous improvement in the control process are promoted; legal or regulatory issues that impact the organization or BNA Group companies under review are recognized and addressed properly.

The Internal Audit activity follows the Annual Audit Plan, prepared in accordance with the provisions set forth in BCRA's Minimum Internal Control Standards and considering the SIGEN General Internal Control Standards (Resolution 172/14-SGN) and the Governance Internal Control Manual issued by such body (Resolution 03/2011-SGN). Moreover, SIGEN requirements set forth by Law No. 24156 on "Financial Administration and Controlling Systems of the Public Sector" and Resolution 175/18-SGN providing for the obligation to submit the Annual Work Plan to such body for approval are complied with.

In the course of its work, it performs an assessment of the Internal Control of BNA Group Companies under review, excluding insurance companies that have an Internal Audit Management reporting to their own Board of Directors and Audit Committee.

Since 2011, the Internal Audit area has its By-laws and Code of Ethics, pursuant to The International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors (IIA) headquartered in the United States of America. This Code consists of a series of Relevant Principles and Rules of Conduct for the internal audit practice, which is the basis for the guidelines issued by the Central Bank of the Republic of Argentina.

In addition, it has obtained a certification since 2011, pursuant to the International Standards for the Professional Practice of Internal Auditing, the Institute of Internal Auditors of Argentina (recertified in 2016) pursuant to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA). Furthermore, it has obtained the Quality certification since 2014 as per Reference IRAM No. 13 "Requirements for Management of Quality

of Internal Audit Units of Public Sector” issued jointly by IRAM / SIGEN (recertified in 2017). Such practices provide a framework to execute and promote a wide range of internal audit activities, establishing the basis for the evaluation of their performance.

### **5.1.2 EXTERNAL AUDIT**

In compliance with the regulations provided in the “Minimum Standards for External Audits” issued by BCRA, BNA engages well-known auditors in the market to review its financial statements and other information required by the controlling body.

External auditors, together with AGN, perform the review of the Bank’s financial statements. To preserve the auditor’s independence, BNA oversees compliance with regulatory and ethical issues when hiring them, maintaining such criteria for the whole period they hold office. For this purpose, it ensures that the auditor does not engage services considered inconsistent by BCRA or contrary to BNA’s concept of professional ethics.

Furthermore, an external audit is hired for each overseas Branch of BNA in accordance with the provisions set forth in the financial standards and regulations of each country.

### **5.1.3 INDEPENDENCE**

To ensure an objective, independent and transparent External Audit of the Financial Statements, BNA has a policy that requires the mandatory audit firm rotation after a maximum term of 6 (six) fiscal years. Therefore, the Audit firm shall be hired for up to 3 (three) consecutive years with the possibility of extension for 3 (three) additional years.

For this purpose, the External Audit firm having completed the term for the rendering of services provided for in the paragraph above shall not be hired during the subsequent period. The foregoing also applies to any joint venture to which the firm or its responsible partners are a party.

Pursuant to the provisions established by BCRA in the Minimum Internal Control Standards for Financial Institutions, the external audit shall be performed by appointed Certified Public Accountants who are registered with the “Auditors Registry” pertaining to the Superintendence of Financial and Exchange Institutions. Such professionals shall perform duties for up to five (5) consecutive years. Upon ceasing to render services for having met such maximum term or a lesser term, these auditors shall not be reappointed for the subsequent term until two (2) consecutive years after ceasing.

To ensure independence of the Internal Audit, the Deputy General Management of General Audit performs its duties reporting to the President / Board of Directors of Banco de la Nación Argentina.

### **5.1.4 ACCESS TO INFORMATION**

The Board of Directors, through the Audit Committee, ensures that both internal audit and external audit functions have unrestricted access to all sectors and to all information of the Institution.

## 5.2 INTERNAL CONTROLS

BNA acknowledges the concept of internal control defined in BCRA's "Minimum Internal Control Standards", designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Strategic purposes
- Effectiveness and efficiency of transactions
- Reliability of accounting information
- Compliance with applicable laws and regulations

To that effect, and within the control framework proposed through the COSO report (Committee of Sponsoring Organizations of the Treadway Commission), BNA complies with the internal control aspects that are interrelated and inherent in the management of the Institution.

Internal control consists of five interrelated aspects, which are integrated with the management process:

- **Internal Environment:** It is the basis for all other internal control aspects, by providing discipline and structure. Internal environment factors include the risk management philosophy of an institution and, if applicable, BNA Group Companies subject to "Consolidated Supervision", propensity for risk, monitoring performed by Management, integrity, ethical values, and competence of the employees of the Institution, the way in which management assigns authority and responsibilities and organizes and professionally trains the employees. Integrity and commitment to ethical values encouraged and instilled by top management, which is in charge of establishing organizational culture, impact on the conduct of the rest of the employees in the Organization. An appropriate organizational culture at the top level helps members of the Institution and, if applicable, BNA Group Companies subject to "Consolidated Supervision" standards act appropriately, both legally and morally. It is important that every employee is clearly informed of the acceptable behavior expected in the Organization, so as to provide an environment reducing the risk of fraud.
- **Risk Assessment:** every institution faces a variety of risks from external and internal sources that should be assessed. A precondition to risk assessment is the establishment of objectives, connected at different levels and connected to each other and to the mission / vision of the Institution.

Risk assessment shall be carried out at a corporate level where risks must be considered from an integral approach rather than from an individual unit. Corporate risk management also addresses risk from an inherent and residual point of view, as well as from the potential occurrence and impact thereof.

The steps to risk assessment include the establishment of objectives, the identification of potential internal and external events which may impact on the achievement of objectives, the risk assessment itself (using both quantitative and qualitative techniques) and the identification of responses to risks, which include: to avoid, accept, share, or reduce risks.

When considering the response to risks, Management must evaluate its effect on the risk probability and impact, as well as costs and benefits, in order to select the response placing residual risk within the desired risk tolerance level.

In addition to the high-level risk assessment conducted by Management, the head of each process must evaluate the risks of the process under their responsibility, identify



responses to such risks and inform General Management and/or Top Management of the residual risks which could not be mitigated, as well as the probability of occurrence of related events.

- **Control Activities:** control activities are the policies and procedures that help assure that management guidelines are followed (in a broad sense). This involves assuring that necessary actions are taken to control the risks related to the achievement of the objectives of the institution and BNA Group Companies subject to “Consolidated Supervision” standards. Control activities are performed throughout the Institution, at all levels and in every function. They include a broad range of activities, such as approvals, authorizations, verifications, reconciliations, operating performance reviews, safeguarding of assets, and segregation of duties.
- **Information and Communication:** Information systems use data from internal and external sources of information for risk management and decision-making. Relevant information shall be timely and properly identified, captured, and communicated allowing each employee to meet their responsibilities.

Communication is not only inherent in information systems, but it shall also, in a broader sense, address the expectations and responsibilities of individuals and groups, taking into consideration the classification and confidentiality of the information.

In this regard, management issues specific internal communications focused on the expectations regarding personnel behavior and responsibilities.

The foregoing includes a clear statement of the philosophy and approach of risk management of the Institution with a clear corporate vision and delegation of authority. Communication regarding processes and procedures should be in line with the desired culture and strengthen it.

Communication with the outside world is also necessary through open external channels of communication, including communication with stakeholders, regulators, financial analysts and other third parties providing the Institution with the relevant information to meet its needs. This communication should be significant, relevant, and timely, and it should follow legal and regulatory provisions.

Management is responsible for establishing the necessary channels for an effective communication.

- **Monitoring:** the internal control system shall be monitored. Monitoring is accomplished by reviewing the existence and operation of internal control components over time, through ongoing follow-up activities conducted by the Heads of each process and independent internal audit assessments of the Institution. The ongoing monitoring is performed in the normal course of management operations and it should include corporate risks. The scope and periodicity of independent assessments will depend primarily on the risk assessment and the effectiveness of the ongoing monitoring procedures conducted in the Financial Institution as well as in the rest of the companies on a consolidated basis.

## 5.3 SUPERVISION

Pursuant to Law No. 24156 “Financial Administration and Control Systems of the National Public Sector”, BNA is audited by the General Audit of the Nation (hereinafter, AGN), in its capacity as an external controlling body of the National Public Sector, reporting to the National Congress.

The observance by the Bank of the provisions of the 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 control of legitimacy and the accounting systems, must be a lawyer, PhD in Economics, or a certified public accountant and shall meet the other conditions required for Directors. The Statutory Auditor shall remain two years in office 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. (Charter Art. 21).

The duties of the Statutory Auditor are established in the Charter (Art. 22), as follows:

- To make the cash counts, controls, inspections, and verifications as deemed necessary in connection with operating, accounting, budgetary, and administrative matters in order to verify that the actions and resolutions of the Bank follow the relevant regulatory and legal provisions. To sign the Balance Sheets and Statement of Income as of year-end.
- To attend the meetings of the Board of Directors and express their opinion without the right to vote.
- To call a meeting of the Board of Directors whenever necessary for the discussion of matters connected with the performance of their duties.
- 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 their duties, the Statutory Auditor shall be subject to the liabilities set forth by the National laws applicable to this position.

The officers of the Bank shall facilitate the work of the Statutory Auditor by furnishing all the necessary means and information (Charter Art. 23).

## **5.4 COMPLIANCE**

BNA has adequate internal control functions, for which it has implemented compliance functions in order to, among other things, regularly monitor compliance with corporate governance rules and the regulations, codes, and policies to which the entity is subject. In addition, it shall report any deviations to the relevant managerial level and inform the Board of Directors, where necessary.

Internal controls are commensurate with the size and complexity of the Bank's activities and include clear rules regarding the assignment of powers and responsibilities and the independent functions of the internal audit and compliance units to verify compliance with such controls as well as with applicable laws and regulations.

Regarding compliance activities, BNA has a Regulatory Compliance Management Unit and a Corporate Governance Management Unit, both of which report to the Deputy General Management of Integrity and Compliance, reporting directly to the President / Board of Directors. Such Units are in charge, among other matters, of regularly monitoring compliance with corporate governance rules and the regulations, codes, and policies to which the Bank is subject.

The compliance function concerns personnel pertaining to operating business units or Branches; that is to say, compliance and internal control are included among the responsibilities of all personnel. They also participate in compliance with special regulations on Integrity established for employees, customers, and suppliers.

## **6. ECONOMIC INCENTIVES TO EMPLOYEES POLICY**

### **6.1 GENERAL ASPECTS**

The practices and incentives described in this section are observed in the context of the pertinent legal provisions in effect and are aimed at reducing the excessive taking of risks that may arise from the structure of the Encouragement and Motivation Program for the Network of Branches, the Zonal Managements, and Head Office of BNA.

Such Program covers the objectives, culture, and activities of BNA and is in line with the other management tools for the purpose of achieving a prudent assumption of risks. It is also an integral part of risk management and corporate governance of the Institution.

### **6.2 PARTICULAR ASPECTS**

#### **6.2.1 BOARD OF DIRECTORS**

The Board of Directors pays special attention to the design and implementation of the Encouragement and Motivation Program. It monitors and reviews such Program to ensure that it is operating as intended and that it complies with approved policies and procedures.

The incentives that are determined through the Encouragement and Motivation Program, the risk measures, and the risks actually assumed are regularly evaluated in order to verify their consistency with the objectives proposed in their design.

### **6.2.2 INCENTIVES TO PERSONNEL COMMITTEE (CIP)**

In 2018, General Management formally established the Incentives to Personnel Committee. Its purpose, composition, responsibilities and duties, and periodicity are detailed in section “4.3.2. Incentives to Personnel Committee (CIP)” of this Code.

The creation of the Committee enables to exercise competent and independent judgement regarding policies and practices relating to incentives to personnel for management of risks, capital, and liquidity.

### **6.2.3 ENCOURAGEMENT AND MOTIVATION PROGRAM IN PLACE FOR THE NETWORK OF BRANCHES, ZONAL MANAGERMENTS, AND HEAD OFFICE**

As a means of encouraging the achievement of business objectives of the Bank, a Special Allowance within the Encouragement and Motivation Program was implemented for all personnel of the Institution (except for those outsourced employees of Security, the Advisors to the President and/or the Board of Directors, and Argentine personnel stationed abroad). This program is adjusted and enhanced progressively, in accordance with the experience acquired, in order to achieve the best results for the Institution. Such program implements the same criteria in measuring the different business units, making no distinctions as regards areas or employees.

The Program includes variables related to commercial goals in the Bank’s management. The Program is settled on a quarterly and deferred basis, and such settlement is subject to the achievement of the goals quarterly set for Branches, Zonal Managements, and Head Office.

Additionally, the Board of Directors has implemented an award for individual performance named “Special allowance for recognition of Individual Performance in specific selected business variables” based on the level of selected products sold.

In addition to the aforementioned tools, the Institution implements a remunerative attendance incentive program, for the purposes of encouraging a more responsible and committed attitude from employees in such respect.

All these benefits are authorized by the Board of Directors.

The Encouragement and Motivation Program for the network of Branches, Zonal Managements, and Head Office is monitored on an ongoing basis to evaluate its performance, to detect any deviations, and to propose corrective measures.

## 7. OTHER ORGANIZATIONAL POLICIES

### 7.1 TRANSPARENCY POLICY

Pursuant to the recommendations issued by the controlling body and for the purposes of managing the Institution in a transparent manner, BNA discloses all information that may be relevant to depositors, investors, customers, users of financial services and/or the public in general, seeking to promote market discipline and, accordingly, good corporate governance.

The objective of the corporate governance transparency policy is to provide the aforementioned parties with the information they need to evaluate the effectiveness of performance of the Board of Directors and Top Management.

The publication of reports on corporate governance aspects can assist market participants and other interested parties in monitoring the strength and solvency of the Institution.

In this sense, the Bank provides to the public in general and especially to its customers free access to information posted on its website [www.bna.com.ar](http://www.bna.com.ar), which is updated on an ongoing basis. This website offers information both on the Institution and the products it offers to the public in general and to specific customers. Furthermore, the Bank posts fees for Corporate Banking and Individual Banking services, information related to its Annual Report and Balance Sheet, the Sustainability Report on an annual basis, and other information of interest, reporting on the economic, social, environmental, and ethical impact of the Institution.

As regards corporate governance, the updated and revised version of this Corporate Governance Code and of the Practical Guide for the Evaluation of Corporate Governance in the Institution are published each year.

BNA is committed to informing the policies and practices implemented as regards gender, informing the percentage of each gender in the Board of Directors, the supervisory body, Top Management, and in the rest of the organization.

To strengthen ties among service providers and the community, BNA makes available for all interested people through its website, the subsection “Procurement and Bidding”, a detail of expected bid openings, identified per item and with a summary of specifications. Moreover, the report on recent acquisitions may be consulted, with a brief detail of quantities and prices paid. Furthermore, the following is available: “Information for Providers”, where useful details may be found in order to offer services as BNA providers, a “Guidance for BNA Provider” (where contact details of the Department of Purchase of Goods, Contract of Services, or Real Property-Works), and information regarding the “Registry of Goods and Services Providers” and the “Registry of contractors for Works and Movable”.

Additionally, through social media BNA supplements the policies on information dissemination and has channels for responding to queries and questions of customers and/or users in general.

The Institution guarantees that the information provided through e-payment channels, access to which is authorized from the Bank’s corporate website, complies with all information security, confidentiality, and integrity regulations.

The publishing of accounting information by the Institution facilitates the transparency process. For this reason and through BCRA and CNV –Argentine Securities Commission– websites, it is

possible to consult financial indicators and details of the products offered, as well as other information related to BNA.

**Market Discipline – Minimum Disclosure Requirements:** in compliance with BCRA regulations, BNA posts on its institutional website a direct access called “Market Discipline” containing information regarding its risk management and exposure, as well as on regulatory capital and adequacy of capital, all this for the purpose of allowing customers, investors, and other market players to evaluate risk profile, risk management, exposure, and the capital adequacy process.

**Trust Activities:** BNA, through the Trust Banking Area, reporting to the Deputy General Management of Finance, acts as Trustee Bank both in Public Trusts, created through the pertinent regulation by the State, whether at the national, provincial, or municipal level, and in the private sector.

Regarding the above-mentioned trust funds, the purposes and strategies thereof are established in their respective law of creation and derive from State decisions, which gives instructions to the Bank in its capacity as a trustee through the areas involved. Trust activities are subject to Internal Audit Unit control and to External Accounting Audits on trust balance sheets. The Bank acting as trustee, under the authorities granted, is in charge of the execution of the several trusts, the performance of the transactions entrusted within the framework of the purpose of the trust contract entered into, the accounting records, the tax filings and settlement as well as the trust accounts reports.

In the private sector, the Bank administers security trusts originated in credit facilities granted, with the purpose of supporting the fulfillment of the secured obligations, assuring the collection of credits. It also acts as trustee in management trusts in the private sector.

BNA has a legal, accounting, and operating management system resulting in the administration of the different processes of the trust activity and its control, fully in compliance with the contractual obligations.

**Capital Markets – Trading Agent (AN):** Banco de la Nación Argentina, when performing its activities as Trading Agent, shall only be able to act in the initial public offering, and in the secondary trading through the Authorized Market Trading Systems authorized by CNV, by making offers as regards the former and recording operations as regards the latter, managing its own portfolio or on behalf of third-party customers in compliance with the regulations issued for such purposes by CNV.

**Clearing and Settlement Agent (ALyC):** Banco de la Nación Argentina has requested authorization for filing with CNV as Clearing and Settlement Agent in order to act in the clearing and settlement of transactions conducted through the Authorized Market Trading Systems authorized by CNV, any activity performed thereby being included under the jurisdiction of such Commission.

**Contact Center:** Through BNA’s Contact Center, customized information and advice are provided to financial users about products and services, and specific enquiries are solved.

## **7.2 “KNOW YOUR ORGANIZATIONAL STRUCTURE” POLICY**

The Board of Directors considers that knowledge and understanding by all BNA members of the organizational structure of Head Office, Zonal Managements, Branches, Service Office, Operating Annexes, Permanent Points of Promotion, Electronic Branches, Foreign Branches (Operative

Branches, Representative Offices, Agencies and Subagencies), On-site Banking Facilities, Mobile Agencies, and the internal regulations in force are essential for business development.

BNA is adjusting its staff based on gender parity, for the purposes of equating the involvement of men and women as regards decision-making at the workplace and ensuring the right to equal opportunities and no gender-based discrimination, as regards the composition of the controlling body.

For such reason, its employees are duly informed –through ongoing updates– about the structure – including description of duties and functions–, procedures and regulations of each area. All internal regulations in force in this regard are published in the Bank's internal network, with free access and mandatory compliance for all employees of the Institution.

Moreover, the analysis and disclosure of standards and communications issued by BCRA and other external organizations affecting financial activities are being conducted.

The Board of Directors sets forth policies and limits to operate with certain foreign jurisdictions and for the use of complex or less transparent structures, for its own transactions or on behalf of third parties. Moreover, it ensures that Top Management complies with the policies regarding identification and management of risks (including legal and reputational risks) related to such operations, activities, or structures. Furthermore, Top Management, supervised by the Board of Directors, documents this process for the assessment, authorization, and management of risk, for the purposes of adding transparency for auditors and supervisors.

The Board of Directors adopts measures and ensures that the risks pertaining to these activities are understood and managed adequately, among other functions, it verifies that Top Management follows clear policies preventing the performance of activities through corporate structures or foreign jurisdictions which may affect transparency.

In view of the foregoing, the Board of Directors and Top Management make sure that policies and procedures are implemented for the purposes of: identifying, evaluating and managing the risks pertaining to such activities as, for example, legal and reputational risk; establishing adequate processes for the approval of transactions and new products; clearly establishing the responsibilities as regards corporate governance for each member of the economic group and line of business within the organization; defining and understanding the purpose of these activities and confirming that it is fulfilled; monitoring the regular assessment of compliance with the applicable laws and regulations, as well as with internal policies; ensuring that the information on these activities and the relevant risks is available at the offices of the financial institution and that the Board of Directors and the supervisors are notified on such operations and they are publicly available.

### **7.3 INTEGRAL RISK MANAGEMENT POLICY**

Based on international standards, BNA defines policies and procedures and assigns resources and responsibilities involving all the Areas of the Organization, namely, Head Office Departments, Zonal Managements, Domestic and Foreign Branches and Annexes, with the purpose of continuously improving risk management.

BNA Group Companies shall comply with these corporate policies and shall create their own Integral Risk Management framework in line with the principles and notions described in this document.

Banco de la Nación Argentina understands integral risk management as a discipline which covers the entire staff of the institution, its own activities and those outsourced and all its products and procedures.

The integral risk management system of the Bank consists of internal policies, regulations and procedures, it includes the structure and infrastructure supporting the implementation of the regulatory framework and the specific processes applied accordingly, as well as the development of corporate culture. All these are to ensure integral risk management for the purpose of reducing losses, rigorously assess capital adequacy to ensure adequate levels in terms of the nature of business and transactions and maximize the contribution as a result of decision-making according to risk.

Decision-making concerning the significant risks to which BNA is exposed rests with the Integral Risk Management Committee.

The Integral Risk Management Unit is in charge of conducting integral risk management of the risks to which the Bank, Foreign Branches and BNA's Controlled Companies are exposed, by following best practices, ensuring independence of the other business and support areas which manage and/or control risks inherent in the activities of the processes in which they are involved, from those areas assessing and monitoring risk exposure. This view is accompanied by a strong commitment from all government bodies of the Bank, strengthening an independent management, though involved in business decisions and aimed at optimizing risk profile by using updated tools and systems for the detection, measuring, monitoring and mitigation of each of the risks incurred by the Bank.

The Integral Risk Management model is based on "Overall Framework for Integral Risk Management – Policy and Strategy" and on policies for the management of each specific risk, providing support to management structure and promoting corporate culture for addressing all significant risks to which the Institution is exposed.

Integral Risk Management activities are based on three pillars and two internal control measures which ensure the implementation of management:

- 1) Disclosure and Training covering, inter alia, the reports prepared by the Integral Risk Management Unit, training processes, publication of articles, websites, notes and material for employees, customers, controlling bodies and the public in general.
- 2) Qualitative Risk Management involving the following activities: subjective self-assessment of risks, studies of correlation of different risks, and determination of risk matrixes and indicators.
- 3) Quantitative Risk Management covering the development of models, sensitivity analysis of variables and stress tests (severely adverse but possible scenarios) for the purposes of assessing the financial position and condition of the Institution regarding its ability to absorb expected and unexpected impacts; and two internal control measures ensuring the implementation of management: Monitoring and Control, and Audit.

Internal control measures which ensure the implementation of management:

- Monitoring and control: follow-up of risk exposure and evolution of indicators in order to suggest any changes in view of the actual nature of the business.
- Audit: including review of implementation and effectiveness of the integral risk management framework.



## 7.4 INFORMATION SECURITY POLICY

The Bank is aware of the importance of identifying and protecting its information assets, laying the foundations for minimizing exposure, and committing itself to continuously developing, establishing, maintaining, and improving the Information Security Management System.

In this regard, BNA has an “Information Security Policy” approved by the Board of Directors and subscribed by all employees, which is applicable throughout the Bank its resources and all the processes, whether internal or external, related to the Institution through contracts or agreements with third parties. The purpose of this policy is to ensure the integrity, confidentiality, availability, and auditability of information and to implement a reasonable level of protection of the Bank’s assets. For this purpose, awareness and training actions are taken on information security on an ongoing basis.

BNA has in place a security strategy including a set of tools, processes and persons devoted to promoting the responsible use of technologies and avoiding losses of goods of the Institution, carry out a program for the protection of information assets in line with the purposes and initiatives of the business, monitoring, preventing, and handling cyber-incidents in agreement with the current global context.

Since customer information is of vital significance for the business, BNA complies with the requirements under Law No. 25326 on “Personal Data Protection” as the party responsible for handling data.

## 7.5 ANTI-FRAUD POLICY

Fraud is any illegal act distinguished by the use of deception. It is also any activity intended for personal enrichment through the improper use or theft of resources or assets of an organization by a person.

The commission of fraud, in addition to the economic loss, always damages the image and reputation of the Bank. Being aware of these consequences, BNA is committed to the development of coordinated actions to prevent fraud. In this regard, BNA has designed and implemented an anti-fraud policy, mandatory for all employees, aimed at guaranteeing the security of transactions through protective measures against the various external criminal actions and for the purpose of facilitating control and management of fraud events. In this framework, the policy is applied to any act involving attempted external fraud or the commission of external fraud, and includes the following:

- The existence of a set of rules and proceedings regulating the fraud risk management process.
- The existence of complaint channels enabling to report any suspicion of fraud.
- The analysis and assessment of fraud risk in launching new products and services and/or generating new operations through procedures established for such purpose.
- The integral management of fraud reporting through maintenance and use of a single base for information.
- The existence of procedures for prevention and mitigation of reputational risk resulting from external fraudulent actions.
- Existence of procedures for the resolution of customer claims upon potential fraud complaints.

Each member of BNA's personnel shall remain in alert for any indication of fraud or unusual situation which may occur in the workplace and may result in damage to the Institution or its clients.

The Prevention of Illegal Activities Unit, reporting to the Departmental Management of Banking Security, is responsible for coordinating, preventing, and detecting external fraud and it is in charge of conducting administrative tasks and the corresponding investigation for the purposes of determining the facts that took place and evaluating the extent of the irregularities.

This Unit is in charge of "Managing the activities relating to the prevention of external scams and fraud, participating in the design of preventive measures in the operational procedures of the Bank".

Furthermore, it conducts the investigation by collecting all information and it interacts with the participating units. In the case of any claim, it is in charge of assessing its veracity for the purposes of timely acting on it.

For the purposes of strengthening the prevention of external fraud risk at the Bank, this Unit trains the entire staff of the Institution and raises awareness on the issue.

## 7.6 TRAINING

BNA encourages training and development for its employees, implementing management processes and tools that ensure ongoing training and learning, by providing growth opportunities in line with the potential and capabilities of the staff.

As regards training of the Board of Directors and Top Management, the Bank conducts customized training and development activities, covering education and update on different subjects.

Training activities performed by the training Institute "Malvinas Argentinas" are focused on the development of persons and the communication applied to each level of the Bank, which has resulted in the continuing improvement of internal processes and customer service quality.

All actions are intended to prepare the Bank's staff to efficiently perform their role, as well as to develop those aspects improving the working environment and provide banking career opportunities.

Training programs are structured using a method that combines and covers instruments such as: On-site Training, including theory, practice, and workshops; E-learning Programs and Internships in Zonal Managements, Branches, and/or Head Office areas, as applicable. This method is used throughout the country, including activities such as courses, seminars and/or conferences held by external companies.

Furthermore, in terms of the Duties and Functions defined by each Unit, and in accordance with the Organization's policy, the general guidelines for staff self-training shall be provided on a semiannual basis at three levels:

- Branch: topics to be addressed are determined according to the employee's needs in relation to the function performed and the objectives of this Business Unit.
- Zonal Management: they are defined according to the needs of the Business Units (Branch and Zonal Management) in agreement with the core strategic guidelines of the Organization.

- Head Office: they are provided for their Areas based on strategic guidelines of BNA, as a supplement to the training policy of the Bank.

In this regard, and for the purposes of promoting transparency and ethical principles throughout the Organization and in accordance with corporate integrity measures which BNA has been developing, in 2019 the “Institutional Integrity Training Program” was conducted, which main purpose was to deepen and comprehend the rules and principles which regulate and guide public ethics, the prevention of corruption and institutional integrity.

This training was created within BNA’s Triennial Training Plan, it is mandatory for all employees within the country, irrespective of hierarchies, and it consists in e-learning training.

The most significant contents are as follows:

- Public Ethics.
- BNA’s Financial and Institutional Integrity Program
- Corruption as a structural event.
- The Role of the Controlling Body as Regards Transparency and Integrity.
- Policies and Practices as regards Integrity.

## **7.7 PROFESSIONAL CONDUCT AND ETHICS STANDARDS**

Ethical values of the Organization, good corporate governance and professional ethics are core principles. BNA is actively and responsibly committed to the development of all employees under such principles.

As a result of the business integrity principles and in compliance with the laws in force, BNA requires the staff to follow the conduct and professional ethics standards as provided for in the Personnel Regulations of the Bank, wherein the duties and rights, and the minimum guidelines for disciplinary actions and financial liability are listed, and in the Code of Ethics for Public Officials, containing the standards of conduct and performance to be followed by the employees of our Institution and members of the Board of Directors, as defined in Decree No. 41/99 by the Executive Branch.

BNA has provided that employees, regardless of their employment relationship, should act righteously and honestly, avoid any situation that might lead to a conflict of interests influencing the impartiality and objectivity required for the performance of their tasks, as well as inform Top Management of any act or procedure which may damage the Institution or constitute a criminal or administrative offense.

Additionally, the Minimum Internal Control Standards for Financial Institutions issued by BCRA and the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA) state that internal audit shall have a Code of Ethics setting the parameters of conduct for members of the area. This Code of Ethics shall consider the confidentiality obligation.

This Code states that members of the internal audit team shall maintain secrecy, even after ceasing their duties, regarding all information acquired in the performance of their specific duties.

In fact, in 2011 the Deputy General Management of General Audit issued its own Code of Ethics in the framework of the adoption of the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors, which was approved by the Audit Committee.

The updated version dated 10/22/2018 included the modifications described in Communication “A” 6552 regarding Minimum Internal Control Standards for Financial Institutions. The latest update of the Code of Ethics was approved by the Board of Directors on 02/20/2020.

The Anti-Money Laundering and Terrorist Financing Unit (AML/CFT) has a Code of Ethics for its employees stating the principles, values and policies based upon the Missions and Functions of AML/CFT Unit. Such Code shows the commitment undertaken by the AML/CFT Unit in the continuous search for raising Organizational Awareness in combating money laundering and terrorist financing through ethical guiding principles and the institutionalization of values in decision-making.

The Board of Directors of BNA ordered the implementation of an additional reporting channel named Ethical Line, which will facilitate the prevention of actions contrary to those stated in the Code of Ethics, Personnel Regulations, Institutional Values and/or internal regulations.

## 7.8 SUSTAINABILITY POLICY

BNA promotes sustainable development in the country by creating ethical, economic, social and environmental values, focusing on the needs of its stakeholders.

In this context, in 2017 Banco Nación joined the UN Global Compact, undertaking the 10 principles referring to “Human Rights”, “Labor Laws”, the “Environment”, and “Anti-corruption standards”, undertaking the responsibility to incorporate the Principles, as well as to disseminate and implement them within society through the alliance with different public and private organisms of the United Nations and civil society. Furthermore, it undertakes the role of contributing to the (17) Sustainable Development Goals (SDG).

Furthermore, the Bank subscribes to the Sustainable Finance Protocol of Argentina, which aims at facilitating and promoting the implementation of best international practices and policies which promote integration between environmental, social and economic factors, for the purposes of leaning towards Sustainable Development.

This policy defines the general principles and the Strategic Corporate Social Responsibility and Sustainability Management Model which guides the Bank as regards its operations taking into consideration the multiple ethical, economic, social, and environmental impacts. It is based on best practices from conventions and protocols, codes of conduct and international guidelines applicable in this regard and to the commitments voluntarily adhered by the Bank. Focus is made on the Principles of the UN Global Compact and the Sustainable Development Goals (SDG).

The Board of Directors and Top Management are committed to this policy, aligning with principles and practices recognized at an international level: transparency, accountability ethical behavior, respect and promotion of human rights, financial inclusion, care and protection of the environment and relationship with stakeholders. It should be mentioned the adherence to “ISO 26000 – Guidance on Social Corporate Responsibility” and to the “Global Reporting Initiative (GRI)”.

BNA’s Strategic Corporate Social Responsibility and Sustainability Management Model is based on its institutional strategic subjects focused on the creation of value for the long-term strengthening business and the relationship with the main stakeholders. In this regard, six Strategic Subjects were defined pertaining to Corporate Social Responsibility and Sustainability, with concepts and lines of action implemented across the entire Institution. These are related to each other and are jointly developed, as detailed below:

- INTEGRITY: it covers the ethical values of the Organization and good corporate governance, ensuring sound and prudent management, in accordance with best international practices.
- FINANCIAL INCLUSION: accessing a banking account and being accompanied as regards financial education is the first step to generate savings, obtain credit and be a participant of the formal economic circuit.
- REGIONAL DEVELOPMENT: the geographic and cultural diversity of Argentina gives rise to a wide range of opportunities for economic growth, for which the Bank acts as a financial boost.
- VALUE CHAIN: the values, principles, and responsible behavior of the entity as regards ethics and transparency shall be implemented across all areas influenced by the Bank.
- SUSTAINABLE FINANCE: to promote the integration of ethical, economic, social, and environmental criteria both in the financing of activities and investment, as well as within entities.
- ENVIRONMENTAL MANAGEMENT: BNA is committed to the care and protection of environmental capital, through initiatives which promote energy saving, waste and paper consumption reduction, and the mitigation of relevant emissions.

As regards the relationship with stakeholders, BNA is focused on creating value for the long term, through this Sustainability Policy and its Strategic Management Model, the Bank establishes the guidelines it adopts in relation to its “Stakeholders”: Government and controlling bodies, Customers, Employees, the Community, Providers, Chambers and associations, Press and media; promoting the integration of sustainability practices in all its business model.

The ongoing discussions with Stakeholders identify and enable to answer to relevant issues, opportunities, and risks, building strong and sustainable relationships.

Moreover, for the purposes of consolidating a model based on transparency and accountability, the Bank submits on an annual basis the “Sustainability Report”, describing the environmental, social, economic, and ethical impact of its activities.

## **7.9 INSTITUTIONAL HUMAN RIGHTS PROMOTION FOR SOCIAL INTEGRATION AND INCLUSION**

BNA is leader in the financial system being consolidated and reaffirmed throughout the years, playing the role of financial branch of the National State in the pursuit of the productive development of the country.

This leadership has been exercised in the enforcement of public policies of the National Government as regards human rights, in general, and the ongoing updating for the purposes of addressing social problems having a high impact especially at a national level, such as, the prevention of gender-based violence, the rights of children and adolescents, problematic consumption, social and labor inclusion of disabled people, environmental care in a context of climate crisis and recently the preparation of surveys referring to gender equality in compliance with SDG 4, 5, 10, 13, 16 and 17 of the UN Global Compact –2030 Agenda to which BNA adhered in 2018.

BNA addresses all issues related to human rights through a specific interdisciplinary area, composed of professionals named “Internal and External Policies for Equality”, which reports to the Departmental Management of Gender, Diversity and Human Rights, reporting directly to the President/ Board of Directors.

Taking into consideration that it reports directly to the maximum authority, measures are adopted for the inclusion of national public policies aimed at equality and diversity, for the purposes of promoting the autonomy of women and LGTBI+ people. Further measures include the attention to vulnerable groups, thus contributing to a cultural change which, as a necessary condition to equality, must be generated in the Argentine society.

In this regard, BNA accompanies the developments at a national and international scale by addressing them from a Human Rights approach, through the execution of tripartite Institutional Cooperation Agreements: State, Company and Union, with the different National Bodies; and it is through that bond that relationships and interactions between the parties are made.

At an institutional level, awareness campaigns are conducted both on-site and through graphic and visual communication, with the involvement of different officers from National Bodies, in charge of enforcing public policies related to human rights issues, such as discrimination, problematic consumption, disabilities, protection of children and adolescents and, especially, gender-based violence.

Given the commitment of BNA to address issues related to Gender-based Violence, and despite not being obligated to comply with Law No. 27499 on “Mandatory Training in Gender”, usually known as “Micaela Law”, it has already conducted two massive trainings for more than four hundred (400) managers, for the City of Buenos Aires and Greater Buenos Aires in 2018, and for the rest of the country in March 2020, conducted by the Ministry of Women, Gender and Diversity.

In this regard, and for the purposes of ensuring compliance with such objectives, an ongoing update of the Protocol against Labor and Gender-based Violence is conducted, which is in effect since June 2018 and was restated in November 2020.

For the purposes of a comprehensive attention to the different types of violence against women, a Single Registrar was created, with the different preliminary injunctions granted for the protection of women who are victims of gender-based violence, involving officers responsible for guaranteeing compliance therewith at the Bank.

In this context, BNA has in place a special leave for employees affected by gender-based violence under the National Law No. 26485 on the Comprehensive Protection of Women.

As part of the relevant actions carried out by BNA, annual contests are conducted for children and adolescents, the employees’ children, aimed at addressing, from their point of view, social issues and promoting respect for human rights since childhood, turning such learning into a family task, which helps strengthening family bonds and the children’s relationship with the work environment of their parents. An average of 300 children and adolescents participate in this initiative.

To address these new issues, work groups are created, with the involvement of unions for the analysis and treatment thereof.

Moreover, investigations and ongoing updates are conducted as regards Human Rights issues for the purposes of creating proposals aimed at the ongoing enhancement of human relations in general within the Institution. Particularly, proposals are made for overcoming conflicts by applying new mediation and agreement strategies under domestic and international regulations in this respect.

By entering into an agreement on 08/05/2020, between the Bank and the Banking Association, the inclusion and diversity policy was set forth, which provides for the gradual and progressive engagement by BNA of transgender people. This agreement (which enables a gradual onboarding until completing a minimum of 1% of total personnel) represents the creation of “a protection and a state policy against discrimination”.

## **7.10 ANTI-MONEY LAUNDERING AND TERRORIST FINANCING**

Since the enactment of Law No. 25246 on Concealment and Laundering of Proceeds of Crime, as amended and supplemented, BNA is committed to fighting against Money Laundering and Terrorist Financing. Therefore, it has designed and implemented internal control policies and procedures to ensure fulfilment of its purposes, and that its products and services are not used for illegal purposes.

For the purposes of strengthening its Anti-Money Laundering and Terrorist Financing System and complying with the relevant rules in force, the Bank updated in 2018 its policies and procedures in accordance with a Risk-based Approach, pursuant to the guidelines set forth in Resolution No. 30e/2017 of the Financial Intelligence Unit (FIU), as amended.

Moreover, it complies with the provisions set forth by the Central Bank of the Republic of Argentina (BCRA) and other controlling bodies.

Pursuant to the regulations in force, the Board of Directors of the Institution shall appoint a Compliance Officer, whose role is to ensure compliance with and implementation of the procedures and obligations set forth by laws and regulations in force on control and prevention of money laundering and terrorist financing, and comply with and enforce the policies approved by the top management of the Institution, pursuant to corporate governance principles applicable to the banking and financial sectors, adjusted to the specific characteristics of the Entity.

For such purpose, our Institution has a Committee for the Control and Prevention of Money Laundering, Financing of Terrorism and other Illegal Activities (CCP) in place, which purpose, composition, responsibilities and duties and periodicity are detailed in Section 4.2.2. of this Code, and it is in charge of assisting the Compliance Officer in designing and implementing the strategy for Control and Prevention of Money Laundering, Financing of Terrorism and other Illegal Activities, in accordance with legal and administrative rules in force.

The Anti-Money Laundering and Terrorist Financing Unit is the specialized area on this matter, which main purpose is the execution and implementation of policies and procedures on Control and Prevention of Money Laundering and Terrorist Financing set forth by the Compliance Officer and approved by the Board of Directors of the Institution.

## **7.11 INTEGRITY POLICY**

BNA understands that best practices pertaining to Integrity and Corporate Governance strengthen management and control areas. In this regard, and as a market leader as regards actions which may replicate throughout the banking sector, we make sure to implement each year further and better mechanisms to strengthen institutional capabilities, promoting transparency and efficiency as regards management.

Taking into consideration the commitment undertaken, BNA emphasizes the importance of implementing best practices pertaining to Integrity and Corporate Governance as mechanisms to strengthen the development of the actions being conducted, thus defining clear rules and increasing the level of transparency before stakeholders.

Some of the actions conducted recently are described as follows:

### 7.11.1 BNA'S ETHICAL LINE

BNA's Ethical Line is a formal, independent, and strictly confidential communication channel that may be anonymous, through which reports are received on actions or behavior that are contrary to the Code of Ethics, Personnel Regulations, Institutional Values and/or internal regulations.

It has been in place since July 2019, reaching at first all personnel of BNA, its Controlled Companies and Foreign Branches, and is expected to become available for third parties (customers and suppliers) during 2021.

The main objectives of BNA's Ethical Line are as follows:

- To identify, investigate, and solve irregularities and/or situations contrary to the Code of Ethics.
- To serve as a corporate protection tool.
- To prevent potential irregularities or events that are inconsistent with institutional values.

There are six channels through which reports may be submitted (via the Internet, e-mail, toll-free number, personal interview, post mail, and fax) and the line is outsourced and managed by an independent and external supplier. Within BNA, the "Corporate Social Responsibility, Ethics, and Compliance" Unit acts as the administrating unit, reporting to the Deputy General Management of Integrity and Compliance which, in turn, reports directly to the President / Board of Directors.

Such Unit is in charge of managing the tool, monitoring the life cycle of reports, their analysis and referral to the Investigating Units of BNA, monitoring the results of investigations, the completion of reports and the preparation of the respective Report to the Ethics Committee. Under a policy of confidentiality and integrity of information, all users with an assigned profile on the platform shall sign a "Confidentiality Commitment – Non-Disclosure of Information and Good Use of BNA's Ethical Line Platform".

The Investigating Units are in charge of managing the investigation of the reports referred to it by the administrating unit.

To maintain integrity of management, it should be stated that BNA has an Escalation System in place for addressing reports. When a complaint is received involving any of the responsible officers for the administrating unit of the tool, such complaint is referred directly to the members of the Board of Directors who are members of the Ethics Committee for its due treatment. In this sense, when a report involves any of the members of the Board of Directors who are members of the Ethics Committee, the investigation will be referred directly to the Statutory Auditor of the Institution.

Likewise, the Institution has implemented the "Commitment to protect users of BNA's Ethical Line" as a Confidentiality Policy, by defining protection measures for people who report a situation through the platform, guaranteeing the rights and protecting the users of BNA's Ethical Line from retaliation because of the information provided in a report, promoting Integrity, Ethics, and Transparency within the Institution.



### **7.11.2 INSTITUTIONAL INTEGRITY TRAINING PROGRAMS**

As regards training policies on integrity matters, priority training has been implemented for all employees of the Institution with the purpose of promoting, fostering, and strengthening ethical and transparency principles across the Bank. That is why during 2019 the Institutional Integrity Training Program (described in section 7.6 above) was carried out, under an e-learning modality, targeting all personnel, without distinction of hierarchies and subject to mandatory compliance, resulting in the effective training of more than eighty percent (80%) of all employees in the country.

### **7.11.3 STATEMENT OF INTEGRITY AND MINIMUM COMPLIANCE STANDARDS – SPECIAL CONDITIONS FOR LARGE COMPANIES**

Within the framework described above and continuing with actions that promote integrity and transparency as principles of Good Corporate Governance that are implemented within BNA, a “Statement of Integrity and Minimum Compliance Standards” has been prepared for the customer segment of “Large Companies” in order to supplement the documentation required in their applications for credit assistance. Execution thereof when applying for credit assistance as well as submission, if applicable, of all documents required by BNA are mandatory.

This “Statement of Integrity and Minimum Compliance Standards – Special Conditions for Large Companies” constitutes an instrument through which Legal Persons applying for financing state the self-regulation mechanisms implemented as regards Corporate Governance (including the implementation of internal controls).

In the event that it is stated that the Legal Person or any member thereof (Board of Directors, Top Management, Legal Representative, Attorney-in-fact and/or staff in general) is related to acts of corruption, the corrective measures implemented in this regard by the Organization must be indicated.

It is understood that an act of corruption involves officers of the public or private sector, who in an improper or illegal manner, obtain benefits for themselves and/or for their associates, or induce others to do so by taking advantage of their position.

Reference is made to the Remediation Plan regarding actions taken by the Legal Person to correct the deviations detected as a result of a case of corruption, also contemplating the corrective measures and sanctions imposed or that should be imposed.

### **7.11.4 CONFLICT OF INTEREST – AFFIDAVIT OF INTEREST IN LOAN TRANSACTIONS INVOLVING LEGAL PERSONS**

In line with the abovementioned measures as regards integrity, and through a form required to the representative of the Company that applies for credit assistance from the Institution, it is expected to identify if its majority shareholders, members of its Board of Directors or legal representative are public officials of the National Executive Branch or are related thereto. If so, it shall be verified whether the credit conditions granted meet regulations in effect.

The objective is to have a tool to detect possible conflicts of interest that may arise in credit assistance to Legal Persons, incorporating the obligation to execute the form entitled “Affidavit of

Interest in Loan Transactions – Legal Persons” as a preventive tool for the control and detection of links with Public Officials of the National Executive Branch.

Therefore, and in order to ensure transparency in management of operations conducted by the persons stating a conflict of interest, the credit conditions granted and their adherence to applicable regulations shall be monitored.