

NYSE Corporate Governance Rules

Under NYSE rules, foreign private issuers are subject to more limited corporate governance requirements than U.S. domestic issuers. As a foreign private issuer, we must comply with four principal NYSE corporate governance rules: (1) we must have an audit committee meeting the independence requirements of Rule 10A-3, subject to specified exceptions; (2) our CEO must promptly notify the NYSE in writing after any executive officer becomes aware of any non-compliance with the applicable NYSE corporate governance rules; (3) we must provide the NYSE with annual and interim written affirmations as required under the NYSE corporate governance rules; and (4) we must provide a brief description of any significant differences between our corporate governance practices and those followed by U.S. companies under NYSE listing standards. The table below briefly describes the significant differences between our corporate governance practice and the NYSE corporate governance rules, applicable to U.S. domestic companies.

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303A.01	A listed company must have a majority of independent directors. “Controlled companies” are not required to comply with this requirement.	Neither Argentine law nor our bylaws require us to have a majority of independent directors. However, pursuant to Section 109 of the Argentine Capital Markets Law, our Audit Committee must be composed of at least three members of the Board of Directors, with the majority of independent directors; thus, we are required to have at least two independent directors.
303A.02	<p>This section establishes general standards to determine directors’ independence. No director qualifies as “independent” unless the Board of Directors affirmatively determines that the director has no material relationship with the listed company (whether directly or as a partner, shareholder, or officer of an organization that has a relationship with the company), and emphasizes that the concern is independence from management. The board is also required, on a case by case basis, to express an opinion with regard to the independence or lack of independence, of each individual director.</p> <p style="padding-left: 40px;">(ii) In addition, in affirmatively determining the independence of any director who will serve on the compensation committee of the listed company’s board of directors, the board of directors must consider all factors specifically relevant to determining whether a director has a relationship to the listed company which is material to that director’s ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to:</p> <p style="padding-left: 80px;">(A) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the listed company to such director; and</p> <p style="padding-left: 80px;">(B) whether such director is affiliated with the listed company, a subsidiary of the listed company or an affiliate of a subsidiary of the listed company.</p> <p style="padding-left: 40px;">(b) In addition, a director is not independent if:</p>	<p>Pursuant to CNV Rules, a director is not considered independent in certain situations, including where a director:</p> <p style="padding-left: 20px;">(a) is a member of the board of directors the parent company or another company belonging to the same economic group of the issuer through a pre-existing relationship at the time of his or her election, or if said relationship had ceased to exist during immediately the previous three years;</p> <p style="padding-left: 20px;">(b) is or has been associated with the company or any of its shareholders having a direct or indirect “significant participation” on the same, or with corporations with which also the shareholders also have a direct or indirect “signification participation”; or if he or she was associated with them through an employment relationship during the last three years;</p> <p style="padding-left: 20px;">(c) has any professional relationship or is a member of a corporation that maintains frequent professional relationships of significant nature and volume, or receives remuneration or fees (other than the one received in consideration of his performance as a director) from the issuer or its shareholders having a direct or indirect “significant participation” on the same, or with corporations in which the shareholders also have a direct or indirect “significant participation.” This prohibition includes professional relationships and affiliations during the last three years prior to his or her appointment as director;</p> <p style="padding-left: 20px;">(d) directly or indirectly owns 5% or more of shares with voting rights and/or a capital stock of the issuer or any company with a “significant participation” in it;</p> <p style="padding-left: 20px;">(e) directly or indirectly sells and/or provides goods and/or services (different from those accounted for in section c)) on a regular basis and of a significant nature and volume to the company or to its shareholders with direct or indirect “significant participation”, for higher amounts than his or her remuneration as a member of the board of directors. This</p>

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	<p>A. the director is or has been within the last three years, an employee, or an immediate family member is, or has been within the last three years, an executive officer, of the listed company, its parent or a consolidated subsidiary. Employment as interim chairman or CEO or other executive officer shall not disqualify a director from being considered independent;</p> <p>B. the director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than U.S.\$120,000 in direct compensation from the listed company, its parent or a consolidated subsidiary, other than director and committee fees and pension or other forms of deferred compensation for prior services (provided such compensation is not contingent in any way on continued service);</p> <p>C. (i) the director is a current partner or employee of a firm that is the listed company’s internal or external auditor; (ii) the director has an immediate family member who is a current partner of such firm; (iii) the director has an immediate family member who is a current employee of such firm and personally works on the company’s audit; or (iv) the director or an immediate family member was within the last three years a partner or employee of such firm and personally worked on the company’s audit within that time;</p> <p>D. the director, or an immediate family member is, or has been with the last three years, employed as an executive officer of another company where any of the listed company’s present executive officers at the same time serves or served on that company’s compensation committee;</p> <p>E. the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from the listed company its parent or a consolidated subsidiary for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of U.S.\$1 million, or 2% of such other company’s consolidated gross revenues.</p>	<p>prohibition includes business relationships that have been carried out during the last three years prior to his or her appointment as director;</p> <p>(f) has been a director, manager, administrator or principal executive of not-for-profit organizations that have received funds, for amounts greater than those described in section I) of article 12 of Resolution No. 30/2011 of the UIF and its amendments, from the issuer, its parent company and other companies of the same group of which it is a part, as well as of the principal executives of any of them;</p> <p>(g) receives any payment, including the participation in plans or stock option schemes, from the company or companies of the same economic group, other than the compensation paid to him or her as a director, except dividends paid as a shareholder of the company in the terms of section d) and the corresponding to the consideration set forth in section e);</p> <p>(h) has served as member of the board of director of the issuer, its parent company or another company belonging to the same economic group for more than ten years. If said relationship had ceased to exist during the previous three years, the independent condition will be recovered;</p> <p>(i) is the spouse or legally recognized partner, relative up to the third level of consanguinity or up to the second level of affinity of persons who, if they were members of the board of directors, would not be independent, according to the above listed criteria;</p> <p>Pursuant to the CNV Rules, a director who, after his or her appointment, falls into any of the circumstances indicted above, must immediately report to the issuer, which must inform the CNV and the authorized markets where it lists its negotiable securities immediately upon the occurrence of the event or upon the instance becoming known.</p> <p>In all cases, the references made to “significant participation” set forth in the aforementioned independence criteria will be considered as referring to those individuals who hold shares representing at least 5% of the capital stock and or the vote, or a smaller amount when they have the right to elect one or more directors by share class or have other shareholders agreements relating to the government and administration of the company or of its parent company.</p>
303A.03	The non-management directors of a listed company must meet at regularly scheduled executive sessions without management.	<p>Neither Argentine law nor our bylaws require the holding of such meetings and we do not hold non-management directors meetings.</p> <p>The AGCL provides, however, that the board shall meet at least once every three months, and according to our bylaws, whenever the chairman considers necessary to convene for a meeting.</p>
303A.04	A listed company must have a nominating/corporate governance committee composed entirely of independent directors, with a written charter that covers certain minimum specified duties. “Controlled companies” are not required to comply with this requirement.	Pursuant to applicable local rules, we have an Ethics, Compliance and Corporate Governance committee. Neither Argentine law nor our bylaws require the establishment of a nominating committee, as directors are nominated and appointed by the shareholders.

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303A.05	A listed company must have a compensation committee composed entirely of independent directors, with a written charter that covers certain minimum specified duties. “Controlled companies” are not required to comply with this requirement.	Neither Argentine law nor our bylaws require the establishment of a compensation committee. We do not have a compensation committee. However, we have a Human Resources committee which advises the Board of Directors on Senior Officers compensation schemes.

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303A.06 303A.07	<p>A listed company must have an audit committee with a minimum of three independent directors who satisfy the independence requirements of Rule 10A-3, subject to certain specified exceptions, with a written charter that covers certain minimum specified duties.</p> <p>(a) The audit committee must have a minimum of three members. All of its members shall be financially literate or must acquire such financial knowledge within a reasonable period of time after the appointment and at least one of its members shall have experience in accounting or financial management. In addition to meeting any requirement of Rule 10A-3 (b) (1), all audit committee members must satisfy the independence requirements set out in Section 303A.02.</p> <p>(b) The audit committee must have a written charter that establishes the duties and responsibilities of its members, including, at a minimum, some of the duties and responsibilities required by Rule 10A-3 of the Exchange Act and the following responsibilities set forth in NYSE Sections 303A.07(b)(iii)(A)-H) of the NYSE Manual.</p> <p>A. at least annually, obtain and review a report by the independent auditor describing: the firm’s internal quality-control procedures; any material issues raised in the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor’s independence) all relationships between the independent auditor and the listed company;</p> <p>B. meet with management and the independent auditor to review and discuss the listed company’s annual audited financial statements and quarterly financial statements, including a review of the company’s specific disclosures under Operating and Financial Review and Prospects”;</p> <p>C. discuss the listed company’s earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;</p> <p>D. discuss risk assessment and risk management policies;</p> <p>E. hold separate regular meetings with management, the internal auditors (or other personnel responsible for the internal audit function) and the independent auditors;</p> <p>F. review any issue or difficulty arising from the audit or management’s response with the independent auditor;</p> <p>G. set clear policies for the recruitment of employees or former employees of the independent auditors; and</p> <p>H. report regularly to the board of directors.</p> <p>(c) Rule 303A.07(c) establishes that each listed company must have an internal audit function to provide management and the audit committee with ongoing advice on the company’s risk management processes and internal control systems.</p>	<p>The responsibilities of an audit committee, as provided in the Argentine Capital Markets Law and the CNV Rules are essentially the same as those provided for under Rule 10A-3, which we are required to satisfy.</p> <p>Argentine law requires the audit committee be composed of three or more members from the Board of Directors (with a majority of independent directors), all of whom must be well-versed in business, financial or accounting matters.</p> <p>The responsibilities of an audit committee include but are not limited to, the following:</p> <ul style="list-style-type: none"> a) advise on the Board of Directors’ proposal for the designation of external independent accountants and to ensure their independence; b) oversee our internal control mechanisms and administrative and accounting procedures and assess the reliability of all financial and other relevant information filed with the CNV and other entities to which we report; c) oversee our information policies concerning risk management; d) provide the market with complete information on transactions in which there may be a conflict of interest with members of our various corporate bodies or controlling shareholders; e) advise on the reasonableness of fees or stock option plans for our directors and managers proposed by the Board of Directors; f) advise on our fulfillment of legal requirements and the reasonableness of the terms of the issuance of shares or other instruments that are convertible into shares in cases of capital increase in which pre-emptive rights are excluded or limited; g) verify the fulfillment of any applicable rules of conduct; and h) issue grounded opinions on related-party transactions under certain circumstances and file such opinions with regulatory agencies as required by the CNV in the case of possible conflicts of interest

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	<p>If a member of the audit committee is simultaneously a member of the audit committee of more than three public companies the board of directors shall determine whether such simultaneous service would prevent such members from effectively serving on the listed company's audit committee, and disclose such determination in the order of business of the annual shareholders' meeting of the listed company or in the company's annual report on Form 10-K filed with the SEC.</p>	
303A.08	<p>Shareholders must be given the opportunity to vote on all equity-compensation plans and material revisions thereto, with limited exemptions set forth in the NYSE rules.</p>	<p>We do not currently offer equity-based compensation to our directors, executive officers or employees, and have no policy on this matter.</p>
303A.09	<p>A listed company must adopt and disclose corporate governance guidelines that cover certain minimum specified subjects, including director's standards and responsibilities</p>	<p>Neither Argentine law nor our bylaws require the adoption or disclosure of corporate governance guidelines. The CNV Rules contain recommended Corporate Governance guidelines for listed companies and the Board of Directors must include on its annual report, the level of compliance of such guidelines. We have adopted, as of May 26, 2011, a corporate governance manual.</p>
303A.10	<p>A listed company must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers.</p>	<p>Neither Argentine law nor our bylaws require the adoption or disclosure of a code of business conduct. We, however, have adopted a code of business conduct and ethics that applies to all of our employees.</p>
	<p>Each listed company may determine its own policies, which should address conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of listed company assets, compliance with laws, rules and regulations, and encouraging the reporting of any illegal or unethical behavior.</p>	
303A.12	<p>a) Each listed company CEO must certify to the NYSE each year that he or she is not aware of any violation by the company of NYSE corporate governance listing standards.</p> <p>b) Each listed company CEO must promptly notify the NYSE in writing after any executive officer of the listed company becomes aware of any non-compliance with any applicable provisions of this Section 303A.</p> <p>c) Each listed company must submit an executed Written Affirmation annually to the NYSE. In addition, each listed company must submit an interim Written Affirmation as and when required by the interim Written Affirmation form specified by the NYSE.</p>	<p>Comparable provisions do not exist under Argentine law and CNV Rules.</p>