

LEGAL WARNING

"The following English translation of the Capital Markets Law No. 26,831 has been prepared to facilitate the approach of potential future investors and any person interested in the legal framework that regulates the capital market of Argentina.

Notwithstanding, only the Spanish version of this law is binding. "

ADVERTENCIA LEGAL

"La siguiente traducción al idioma inglés de la Ley de Mercado de Capitales N° 26.831 ha sido preparada para facilitar el acercamiento de posibles futuros inversores y toda persona interesada en el marco legal que regula el mercado de capitales de la República Argentina.

Sin perjuicio de ello, sólo la versión en español de esta ley es vinculante".

CAPITAL MARKETS LAW

LAW No. 26,831

Published in the Official Gazette No. 32,551 on December 28, 2012

Enacted: November 29, 2012

Promulgated: December 27, 2012

The Argentine Senate and the House of Representatives, assembled as Congress, hereby enact with the force of Law:

CAPITAL MARKETS LAW

PRELIMINARY PART

Principles and Definitions

SECTION 1. Purpose. Principles.

This law is aimed at developing the capital market and setting the rules to govern capital market players and marketable securities traded therein.

These regulations, any of their supplementary provisions and regulations, as well as the construction hereof and thereof shall be guided by the following goals and principles:

- a) Promoting the participation of investors, union associations, business associations and industry groups, professional associations and all public savings entities in the capital

market, particularly encouraging mechanisms designed to promote domestic savings and channel such funds towards production development.

- b) Strengthening mechanisms for the protection and prevention of abuses against investors for the protection of consumers' rights.
- c) Promoting access of small and medium-sized enterprises to the capital market.
- d) Promoting the creation of a federally integrated capital market, through access and connection mechanisms, with standardized communication protocols, of computer systems from different trading markets, with the use of state-of-the-art technology.
- e) Encouraging simpler trading procedures available to users to attain greater liquidity and competitiveness in order to provide the most favorable conditions at the time of carrying out transactions.
- f) Reducing systemic risk in capital markets through actions and resolutions aimed at having safer markets in accordance with international best practices.
- g) Promoting the integrity and transparency of capital markets.
- h) Promoting financial inclusion.

(Section replaced by Section 33 of Law No. 27,440 - 5/11/2018)

SECTION 2. Definitions.

Under this law and regulations hereof, the following terms shall have the meanings set forth below:

Concerted Action: The coordinated action of two (2) or more individuals under a formal or informal agreement for the purpose of cooperating actively to purchase, hold or dispose of any shares or other convertible securities or interests in an entity whose marketable securities have been authorized for public offering, whether acting through any such individuals, any companies or other associations in general, or through other persons related to or controlled by such entity, or individuals holding voting rights on behalf thereof. Managers of collective investment products: Management companies under Law No. 24,083, as amended, financial trustees under Title IV, Chapter 30, of the third book of the Argentine Civil and Commercial Code, as amended, and other entities providing similar services which, at the discretion of the Securities and Exchange Commission, must be registered as such to be able to act in connection with collective investment products.

Risk Rating Agencies: Entities registered with the Securities and Exchange Commission to provide risk rating services for marketable securities and other risks, any activities related and supplementary thereto and capable of furthering this purpose also being under the jurisdiction of said body.

Placement and Distribution Intermediaries: Individuals and/or legal entities registered with the Securities and Exchange Commission to develop placement and distribution channels for marketable securities, in accordance with the regulations issued by the aforementioned body for these purposes.

Brokers: Legal entities registered with the Securities and Exchange Commission to put in contact two (2) or more parties for the performance of business transactions involving marketable securities, such entities having no relationship whatsoever, whether as assistants, subordinates or representatives, with any of the parties involved (Section 34, Subsection a), first part, of Annex I to Law No. 25,028).

Custodians of Collective Investment Products: Depositary companies under Law No. 24,083, as amended, registered with the Securities and Exchange Commission to perform any duties assigned by the applicable laws or any other duties as determined by said body.

Settlement and Clearing Intermediaries: Legal entities registered with the Securities and Exchange Commission to participate in the settlement and clearing of transactions involving marketable securities registered within the markets, including any other activities conducted by them also being under the jurisdiction of the Securities and Exchange Commission.

Trading Intermediaries: Legal entities authorized to act as intermediaries of marketable securities in markets under the jurisdiction of the Securities and Exchange Commission, the performance of any related or supplementary activities also being under the jurisdiction of said body.

Central Securities Depository: Legal entities registered with the Securities and Exchange Commission to receive collective and regular deposits of marketable securities, provide custody, settlement and payment of credits of marketable securities deposited and in custody and those other activities set forth in the regulations of the Securities and Exchange Commission, under the terms set forth in Law No. 20,643, as amended, and herein.

Producers: Individuals and/or legal entities registered with the Securities and Exchange Commission to develop advertising and promotion activities of marketable securities under the responsibility of a registered intermediary, in accordance with regulations set forth for such purpose by the aforementioned body.

Registered Intermediaries: Individuals and/or legal entities authorized by the Securities and Exchange Commission to be registered with the corresponding registries created by said body for the purposes of performing trading, placement, distribution, brokerage, settlement and clearing, custody and collective deposit of marketable securities, management and custody of collective investment products, risk rating and any other activities that, at the discretion of the Securities and Exchange Commission, must be registered for the purposes of developing the capital market.

Clearing Houses: Corporations authorized by the Securities and Exchange Commission, in accordance with the regulations set forth by said body for such purpose, whose corporate purpose is the settlement and clearing of transactions authorized by the Securities and Exchange Commission, fulfilling the role of central counterparty, being able to carry out activities related and supplementary thereto.

Controlling Entity, Controlling Group or Controlling Person: An individual or legal entity holding, whether directly or indirectly, and individually or collectively, as the case may be, under any title, an equity interest or voting securities conferring such holder, legally or de facto, and if de facto on a permanent basis, the right to cast the number of votes required to establish corporate policy at regular shareholders' meetings or to appoint or revoke the appointment of a majority of directors or members of the supervisory board.

Registration Entities of Derivatives Transactions: Corporations whose main purpose is to fulfill the duties set forth in the applicable regulations and authorized by the Securities and Exchange Commission for such purposes.

Insider Or Non-Public Information: Any specific information referring to one (1) or more marketable securities, or to one (1) or more issuers of marketable securities, which has not been made known to the public or which, if being or having been made public, might materially influence or have influenced the placement conditions or price or any course of dealings involving said marketable securities.

Markets: Corporations authorized by the Securities and Exchange Commission to act for the organization of transactions involving marketable securities authorized for public offering, any activities related and supplementary thereto and capable of furthering such purpose also being under the jurisdiction of said body.

Capital Market: A market where marketable securities or other previously authorized instruments are publicly offered so that members of the public may perform legal acts through the trading activities of authorized intermediaries, all subject to monitoring by the Securities and Exchange Commission.

Public Offering: A solicitation for the performance of legal acts involving marketable securities that is addressed to the general public or to specific sectors or groups by issuers, holders or sole proprietorships or companies engaging solely or partially in securities trading by means of personal offers, newspaper announcements, radiotelephone, telephone or television broadcasting, film projections, posters, signs, programs, electronic media, circulars and printed communications or any other procedure for advertising.

Collective Investment Products: Mutual Funds under Law No. 24,083, as amended, financial trusts under Title IV, Chapter 30, of the third book of the Argentine Civil and Commercial Code, as amended, and any other capital market vehicles for which the authorization to issue public offering is requested from the Securities and Exchange Commission. The Securities and Exchange Commission shall have exclusive jurisdiction in relation to financial trusts that are authorized by said body to perform public offering of their marketable securities and with respect to financial trustees that participate in such capacity in the aforementioned trusts.

Derivatives Transaction Registration: The registration of derivatives contracts entered into bilaterally outside markets authorized by the Securities and Exchange Commission, pursuant to the regulations issued by the said body for such purposes. Said registration must be kept by

registration entities of derivatives transactions, as defined herein. If no registration entities exist, said registration may be carried by the markets and/or clearing houses.

Marketable Securities: Of record and book-entry securities, particularly including any negotiable instruments or instruments evidencing claims, shares, mutual funds, debt securities or share certificates in financial trusts or other collective investment vehicles, and in general any homogeneous and exchangeable securities or investment agreements or receivable instruments issued or grouped in series and which may be traded in the same manner as and with effects similar to securities; and which on account of their nature and transfer requirement may be traded on a general and impersonal basis in financial markets.

Also, “**securities**” shall refer to futures, options and derivatives contracts in general registered pursuant to the Securities and Exchange Commission, and deferred payment checks, admissible time deposit certificates, credit notes, certificates of deposit and warrants, promissory notes, bills of exchange, mortgage bonds and any other securities admitted to secondary trading in markets.

(Section replaced by Section 34 of Law No. 27,440 - 5/11/2018)

SECTION 3. *Creation of marketable securities.*

A legal entity may create and issue marketable securities to be traded in any market of the kind and pursuant to terms of its own election, including all rights conferred to holders thereof and all other terms and conditions set forth upon the issuance thereof, provided that no confusion arises regarding the kind, denomination and conditions of marketable securities especially provided for in the applicable law. The scope of the rights arising from any marketable securities so created shall be governed by the instrument of creation, instrument of issuance and registration thereof with competent supervisory authorities.

(Section replaced by Section 35 of Law No. 27,440 - 5/11/2018)

SECTION 4. *Conflicts of Interest.*

Any persons taking part in the process of placing an issue of marketable securities shall solely be able to purchase or offer to purchase, whether directly or indirectly, those marketable securities or other securities of the same class or series, or the right to purchase any of them, in the events and subject to the conditions set forth by the Securities and Exchange Commission.

Regulations shall establish the conditions for the parties referred to in the previous paragraph to be able to directly or indirectly sell any marketable securities or selling rights related to the issuer involved in the corresponding placement process of said marketable securities, for so long as they continue taking part in said process, for the purposes of preventing the artificial setting of prices or any other practices prohibited hereunder.

(Section replaced by Section 36 of Law No. 27,440 - 5/11/2018)

SECTION 5. *Digital Documents.*

Any documents bearing digital signatures and submitted by electronic means to the Securities and Exchange Commission pursuant to regulations issued by the Securities and Exchange Commission for their respective identification for all legal and regulatory purposes shall be similarly valid and effective as any documents signed on paper.

PART I

THE SECURITIES AND EXCHANGE COMMISSION

CHAPTER I

Organization and Operation

SECTION 6. *Self-Administration.*

The Securities and Exchange Commission is a self-administered agency of the Argentine Government governed by the provisions contained in this law and other related statutory regulations. The relationship of the Securities and Exchange Commission and the Argentine Executive Power is maintained through the *Ministerio de Finanzas* (Ministry of Finance), which shall hear any appeals filed against its decisions, notwithstanding any other legal actions and remedies contemplated in this law.

SECTION 7. *Seat and Delegation Offices.*

The Securities and Exchange Commission shall have its seat in the Autonomous City of Buenos Aires but it may hold meetings and establish regional delegation offices in any other locations within the country.

SECTION 8. *Composition.*

The Securities and Exchange Commission shall be managed by a board of directors of five (5) members appointed by the Argentine Executive among persons of recognized capacity and professional experience in matters subject to its jurisdiction.

The Chairman and Vice Chairman of the Board of Directors shall be appointed by the Argentine Executive.

SECTION 9. *Incompatibilities.*

The following individuals shall in no event be members of the Board of Directors of the Securities and Exchange Commission:

- a) Shareholders or members of the governing, managing or supervisory bodies of or individuals having provided services of any kind to entities subject to regulation and

inspection by the Securities and Exchange Commission at the time of their appointment and during twelve (12) months before such time.

- b) Individuals falling within the scope of any of the events of lack of legal ability set forth in Section 264, Subsections 1, 2 and 3, of Companies Law No. 19,550, revised text 1984, as amended.
- c) Employees or officials of any division of the national Government and those who have other positions or paid positions in any form that depend on the national, provincial, or municipal governments or the government of Autonomous City of Buenos Aires, including their legislative and judicial powers at the time of their appointment. Career civil servants may keep their positions in which case they shall request a leave. Those who practice teaching are not included in the provisions of this subsection.
- d) Those who prove not to have met the requirements of suitability and professional experience in the matter as set forth in the regulations. The fulfillment of these requirements in the process of appointing each director shall be approved by Argentina's Senate. The Argentine Executive Power may make appointments in commission for the term of treatment by the Senate of the Nation.

(Section replaced by Section 37 of Law No. 27,440 - 5/11/2018)

SECTION 10. *Term of Office. Removal.*

Directors of the Securities and Exchange Commission shall hold office during five (5) years and their respective terms of office may be renewed for successive periods.

Directors may be removed before the expiration of their respective terms of office by the Argentine Executive solely upon the occurrence of any of the events set forth below:

- a) A director has committed an intentional crime of any nature in the exercise or during the performance of his/her duties.
- b) A director has committed misconduct or acted negligently in the performance of his/her duties, or has failed to act in accordance with the provisions of this or other laws that may be applicable to or should be enforced by such officer on account of his/her office;
- c) A director has subsequently become unable to hold his/her office.

The decision to remove an officer shall not be subject to judicial review, but a claim may be filed by the affected party with a national court of competent jurisdiction on federal administrative litigation matters for any damages that he/she may have sustained in the event of removal under subsection (b) above and evidence that removal was patently unreasonable being provided by the affected officer. Compensation shall in no event exceed the amount of any gross salaries that the officer would have been entitled to receive until the expiration of his/her term of office.

In case of removal under subsection (a), a reversal of conviction of the removed director shall in no event entitle such director to be restored to office.

SECTION 11. *Quorum and majorities.*

The board of directors of the Securities and Exchange Commission shall meet with the majority of members, without it being necessary for them to be in the same place provided that they are communicated by means of simultaneous transmission of sound, images and words, according to the regulations that the body may order for such purpose. The president or, as the case may be, the vice president in the absence of the president, has the deciding vote in case of a tie, provided that the board of directors is fully met.

(Section replaced by Section 38 of Law No. 27,440 - 5/11/2018)

SECTION 12. *Exceptional Circumstances.*

In the event that the board of directors of the Securities and Exchange Commission, under exceptional circumstances, is prevented from validly holding meetings due to the absence of quorum or whenever any decisions must be urgently adopted, the Chairman together with at least two (2) directors then present at the Securities and Exchange Commission headquarters and/or at a meeting in accordance with the mechanisms set forth in Section 11 may adopt such decisions in their own name and under the board's *ad referendum* liability, which they shall ratify at its first subsequent meeting.

(Section replaced by Section 39 of Law No. 27,440 - 5/11/2018)

SECTION 13. *Substitution of Directors.*

Whenever a long-period license is requested by any Securities and Exchange Commission directors, the Ministry Finance may appoint an interim substitute director from among Securities and Exchange Commission managers until such time as the cause for his/her appointment will have ceased.

CHAPTER II

Resources

SECTION 14. *Sources. Assignment and redistribution of funds.*

I. Sources. For its operation, the Securities and Exchange Commission shall have access to the following resources:

- a) Any resources assigned thereto under the Argentine Government's General Budget for the current fiscal year.
- b) Any resources received for one (1) inspection and control rate and two (2) authorization fees for the public offering of marketable securities and registration of the different intermediaries, markets, clearing houses and derivatives registry entities that are under the control of the Securities and Exchange Commission and three (3) of

other services provided by the body to parties under its control. The amounts of said resources shall be set by the Ministry of Finance, at the proposal of the Securities and Exchange Commission.

- c) Any gifts or legacies conferred to the Securities and Exchange Commission and any income arising from the assets of the Securities and Exchange Commission.

II. Assignment and redistribution of funds. The aforementioned body shall have broad powers to assign and redistribute the funds that correspond to it pursuant to his Section.

(Section replaced by Section 40 of Law No. 27,440 - 5/11/2018)

SECTION 15. *Interest.*

Any unpaid inspection and monitoring fees and authorization fees shall bear compensatory interest at the rate determined by the Ministry of Finance, which rate shall not exceed one and a half times the interest rate applied by *Banco de la Nación Argentina*, a self-administered entity under the Ministry of Finance, to its discount transactions on commercial documents.

SECTION 16. *Exemption.*

The Securities and Exchange Commission is hereby authorized to grant a reduction of or exemption from any inspection and monitoring fees and authorization fees applicable to security issuances by small and medium-sized enterprises, including cooperatives under the terms applicable to said companies.

(Section replaced by Section 41 of Law No. 27,440 - 5/11/2018)

CHAPTER III

Employment Regulations and Incompatibility

SECTION 17. *Directors.*

Members of the Securities and Exchange Commission board of directors shall be subject to regulations as to compensation, rank and incompatibility similar to those applicable to Argentine Executive's undersecretaries.

Members of the board shall not be able to perform any other activities for payment other than as teachers or members of study commissions.

Upon the expiration of their respective terms of office, board members shall not be able to provide services to or fill managing positions in entities that have been subject to monitoring by the Securities and Exchange Commission or any companies controlling, controlled by, affiliates of or under common control with any such entities as members of one economic group for a term of two (2) years.

SECTION 18. *Staff.*

The appointment, hiring, suspension and removal of employees shall be responsibilities of the board of directors of the Securities and Exchange Commission.

(Section replaced by Section 42 of Law No. 27,440 - 5/11/2018)

CHAPTER IV

Competent Jurisdiction and Powers

SECTION 19. *Responsibilities.*

The Securities and Exchange Commission shall be the enforcement and supervisory authority under this law and for such purpose shall perform the following duties:

- a) Directly and closely monitor, regulate, inspect, supervise and impose penalties on any individual and/or legal entities that for any reason or cause or under any circumstances perform activities in relation to the public offering of marketable securities, other instruments, transactions and activities within the scope of this law and other applicable regulations, and which on account of their business are subject to the jurisdiction of the Securities and Exchange Commission. The body may require the markets and clearing houses to exercise supervisory and inspection duties over their participating members. Said requirement shall not imply a delegation of powers to the markets and clearing houses by the Securities and Exchange Commission.
- b) Keep the registry, grant, suspend and revoke the authorization of public offering of marketable securities and other instruments and transactions.
- c) Keep the register of all individuals that have been authorized to publicly offer and trade in marketable securities, and establish any rules to be observed by them and any persons acting on behalf thereof.
- d) Keep the relevant register and grant, suspend and revoke any authorizations to operate granted to markets, clearing houses, registered intermediaries and other individuals and/or legal entities falling within the scope of the said body's competent jurisdiction on account of their capital-market related business and based on the judgment of the Securities and Exchange Commission. The register shall be public and shall be responsibility of the aforementioned body; it shall record all the markets, clearing houses, intermediaries and other individuals and/or legal entities that, by virtue of their capital-market related business and at the discretion of Securities and Exchange Commission, fall within the scope of the jurisdiction thereof.
- e) Approve the bylaws, regulations and any other general rules issued by the markets and clearing houses and review their decisions, on its own initiative or at a party's request, as regards measures related to the regulated services provided by those markets or that may affect their provision.
- f) Perform any duties delegated to it under Law No. 22,169, as amended, in relation to legal entities registered pursuant thereto in matters of corporate control.

- g) Issue regulations to be complied with by individuals and/or legal entities and other entities authorized under Subsection (d) above as from registration to deregistration thereof in the respective register.
- h) Issue regulations to be complied with in order to obtain authorization for marketable securities, instruments traded and transactions performed in the capital market until the deregistration thereof, and the Securities and Exchange Commission shall have powers to establish any necessary supplementary regulations to rules established under the various laws and decrees applicable thereto, settle any issues not contemplated therein and interpret any rules included therein in the context of the prevailing economic circumstances, for the promotion of capital market development.
- i) Declare, without any preliminary investigation, that any acts submitted to the Securities and Exchange Commission for inspection are irregular and without effect for administrative purposes whenever they are in conflict with this law, other applicable laws, any regulations issued by the Securities and Exchange Commission or bylaws and resolutions issued by other entities and approved by said body.
- j) Promote and protect the interests of investors.
- k) Establish minimum training, accreditation and registration requirements applicable to the employees of registered intermediaries or to individuals and/or legal entities performing tasks in relation to the provision of advisory services to investors.
- l) Determine the minimum requirements to be satisfied by providers of auditing services to parties subject to supervision by the Securities and Exchange Commission.
- m) Encourage the development and strengthening of the capital market by creating or, if applicable, promoting the creation of products deemed necessary for such purpose.
- n) Organize and manage any files and background data related to the activities of the Securities and Exchange Commission or data arising from the exercise of Securities and Exchange Commission's duties for the recovery of information related to its mission. Said body may enter into agreements with national, international and foreign agencies in order to become a part of information networks of this kind, and to this effect, reciprocity under Sections 25 and 26 hereof shall be considered a necessary and effective condition.
- o) Establish the patrimonial requirements that must be accredited by individuals and legal entities subject to its inspection.
- p) Issue supplementary regulations for the prevention of money laundering and terrorist financing in accordance with the rules established by the Financial Intelligence Unit (*Unidad de Información Financiera*), a self-sufficient entity under the Ministry of Finance, applicable to the capital market, and monitor compliance therewith. This shall apply notwithstanding the duty of the Securities and Exchange Commission to inform the Financial Intelligence Unit and allow said unit to act within its competent jurisdiction for the imposition of penalties and provide such Unit the assistance prescribed under Argentine Law No. 25,246, as amended. The Securities and Exchange Commission shall regulate the way in which penalties applied by the Financial Information Unit in terms of prevention of money laundering and the financing of terrorism, in relation to individuals acting under the jurisdiction of said body.
- q) Regulate the manner in which the information and inspection required herein shall be carried out, being empowered to require the entities subject to its jurisdiction to

implement those mechanisms it deems appropriate for a more effective control of the duties described herein.

- r) Establish different information reporting systems and public offering requirements.
- s) Determine the conditions pursuant to which any registered intermediaries that are legal entities may be authorized to carry out more than one activity under the jurisdiction of the Securities and Exchange Commission, after those activities have been included in the respective entity's corporate purpose for registration thereof in the respective registers kept by said body.
- t) Monitor objective and subjective compliance with any statutory regulations and bylaws provisions within the scope of the enforcement hereof.
- u) Perform any other duties assigned thereto under any applicable laws, decrees and regulations.
- v) Establish the suitability, moral integrity, probity and solvency requirements to be met by those who intend to obtain authorization from the Securities and Exchange Commission to act as markets, clearing houses and registered intermediaries as well as the administrative and supervisory bodies, as appropriate.
- w) Create new categories of registered intermediaries and modify existing ones, as well as eliminate those that are created by its own regulations.
- x) Set maximum tariffs that may be received by the markets, clearing houses, registration entities of derivatives transactions and registered intermediaries taking into account, among other aspects, the competitiveness of the capital market in the region in relation to tariffs set in other countries. This power shall be exercised in cases in which, at its discretion, special situations so require.
- y) Issue rules aimed at promoting the transparency and integrity of capital markets and avoiding conflicts of interest therein.
- z) Evaluate and issue regulations in order to mitigate systemic risk situations.

(Section replaced by Section 43 of Law No. 27,440 - 5/11/2018)

SECTION 20. Related Powers.

Within the scope of its jurisdiction under the preceding section and always taking into consideration the protection of the interests of minority shareholders and holders of debt securities, the Securities and Exchange Commission shall be able to:

- a) Request reports and documents, conduct investigations and inspections on individuals and legal entities subject to monitoring, issue summons to give statements, take informative and witnesses' statements, conduct preliminary investigation proceedings and set penalties under the terms hereof.
- b) Request an order from a court of competent jurisdiction for the assistance of law enforcement officers.
- c) Request an order from a court of competent jurisdiction to conduct a search of private premises in order to obtain all necessary evidence and information for the performance of its auditing and investigation duties.
- d) Start legal actions and claim the performance of their decisions in court.
- e) Report any crimes or assume the role of accuser.

- f) Request any kind of information from governmental bodies and from individuals or legal entities as deemed necessary for the performance of its duties, and such bodies, individuals and legal entities shall provide the information requested within the period set forth under penalty of law. This provision shall not be applicable in relation to the Financial Intelligence Unit.

(Section replaced by Section 44 of Law No. 27,440 - 5/11/2018)

SECTION 21. Powers of the Chairman.

The Chairman of the Securities and Exchange Commission shall have powers to:

- a) Represent the Securities and Exchange Commission and chair its meetings;
- b) Carry out the general management of the Securities and Exchange Commission;
- c) Provide for the processing of any matters handled by the Securities and Exchange Commission;
- d) Any other powers that may be delegated to it under Securities and Exchange Commission internal regulations.

SECTION 22. Powers of the Vice Chairman.

The Vice Chairman shall substitute the Chairman in the event of the Chairman's temporary or permanent absence and perform such duties as may be assigned thereto under Securities and Exchange Commission internal regulations and as delegated thereto by the Chairman.

SECTION 23. Delegation.

The board of directors of the Securities and Exchange Commission may delegate the powers conferred in each case to the heads of any of its regional offices.

As regards the imposition of penalties, regional offices may conduct investigation proceedings of any kind, but penalties consisting in fines shall be solely imposed by the board of directors of the Securities and Exchange Commission.

(Section replaced by Section 45 of Law No. 27,440 - 5/11/2018)

SECTION 24. Review of decisions of permanent or temporary offices.

Any resolution involving the delegation of powers to a regional office shall expressly state whether the Securities and Exchange Commission reserves the right of administrative review over any decisions that may be adopted before any interested parties are entitled to file an appeal in court. It shall otherwise be understood that any decisions adopted by delegated authority may be challenged in court in accordance with regulations applicable to Securities and Exchange Commission resolutions.

CHAPTER V

Confidentiality

SECTION 25. *Confidentiality.*

Any information collected by the Securities and Exchange Commission in the exercise of its inspection and investigative powers shall be confidential, other than in the events contemplated in sections 26 and 27 of this law.

Legal courts shall dismiss on their own initiative any petitions to have such information subpoenaed from the Securities and Exchange Commission, except under criminal proceedings on common crimes directly related to the events subject to investigation and other events contemplated in this or other special-purpose laws.

The board of directors and employees of the Securities and Exchange Commission shall preserve the confidentiality of any information obtained in the performance of their duties. In the event of any infringement of confidentiality they shall be liable to administrative and criminal penalties, as it may correspond. The duties and restrictions established under this section shall not be applicable to the disclosure of such or any other information for purposes of prevention of money laundering and terrorist financing.

The above restrictions shall not apply when the information is requested by or to be submitted to the Financial Intelligence Unit.

The duty of confidentiality shall extend to all registered agents in any categories and to any members of market management and supervisory bodies.

Any resolutions of the Securities and Exchange Commission ordering investigative proceedings, final resolutions entered in these proceedings and resolutions ordering the filing of a criminal complaint or charge shall be exempted from the above duty of confidentiality and disclosed in accordance with relevant regulations.

SECTION 26. *Cooperation agreements.*

The limitations established under the preceding section shall not be applicable to the disclosure of information to similar foreign authorities with standing reciprocity agreements signed with the Securities and Exchange Commission.

The Securities and Exchange Commission shall preserve the confidentiality of any request and/or supply of information by any such similar foreign authorities.

SECTION 27. *Lifting of secrecy.*

The restrictions and limitations provided under this law; sections 39 and 40 of Law No. 21,526, as amended by Law No. 24,144; section 53 of the Charter of the *Banco Central de la República Argentina* (Central Bank of the Republic of Argentina) (“BCRA”); section 74 of Argentine Law No. 20,091, in relation to the disclosure of information obtained in the course of the performance of its duties by the Securities and Exchange Commission, the BCRA and

the *Superintendencia de Seguros de la Nación* (Argentine Insurance Authority), this being a self-administered entity reporting to the Office of the *Subsecretaría de Servicios Financieros* (Undersecretary of Financial Services) of the *Secretaría de Finanzas* (Finance Secretariat) in the Ministry of Finance, respectively, and any officers and employees of such agencies, shall not be applicable in the event of a formal requirement reciprocally made by any such agencies with respect to that information, provided the request is made by the highest authority of each such entity.

Also, the above mentioned restrictions and limitations shall not apply in the event of any requirements made by the Financial Intelligence Unit under Law No. 25,246, as amended.

PART II

Persons within the scope of this law

CHAPTER I

Markets. Guarantees. Settlement and clearing agents.

Arbitration Courts.

SECTION 28. *Exclusive designations.*

“Stock exchange”, “securities market”, “futures exchange”, “options exchange”, “futures market”, “options market” and similar designations shall be authorized solely by the Securities and Exchange Commission.

SECTION 29. *Requirements.*

The Securities and Exchange Commission shall establish the requirements to be satisfied by markets and clearing houses in order to obtain authorization to operate and be registered with the corresponding registry.

(Section replaced by Section 47 of Law No. 27,440 - 5/11/2018)

SECTION 30. *Registration.*

Any markets and clearing houses authorized by the Securities and Exchange Commission to be registered shall comply with all the requirements established by said body for the term of their respective registration. Markets and clearing houses shall refrain from operating as such if they fail to comply with any requirements, conditions and obligations set forth by the Securities and Exchange Commission, without prior notice.

Failure to comply with any of the requirements, conditions and obligations set forth by the Securities and Exchange Commission shall result in said market and clearing house being preventively suspended, where appropriate, until as a result of subsequent events a review

of such suspension is deemed advisable, notwithstanding any penalties to which offenders may be subject to under Section 132 hereof.

(Section replaced by Section 48 of Law No. 27,440 - 5/11/2018)

SECTION 31. Legal Form.

Markets shall be incorporated as corporations subject to regulations governing the public offering of shares and shall list their shares in an authorized market. Regulations of the Securities and Exchange Commission shall set forth the maximum holdings admitted per shareholder, the nominal value and the number of votes that each share confers. A shareholder shall not hold, whether directly or indirectly, and individually or jointly, as the case may be, under any title, an equity interest or voting securities conferring such holder, legally or de facto, the right to cast the number of votes required to establish corporate policy at meetings or to appoint or revoke the appointment of most of the members of the administrative and/or auditing bodies. These restrictions shall not apply if the shareholder is another market, and the Securities and Exchange Commission shall grant authorization for each specific situation.

(Section replaced by Section 49 of Law No. 27,440 - 5/11/2018)

SECTION 32: Markets.

I. Duties.

Markets shall have the following basic duties, based on the nature of their specific business and those others determined by the regulations of the Securities and Exchange Commission:

- a) Issue regulations for the purposes of granting authorization to intermediaries authorized by the Securities and Exchange Commission to act in the market; and no evidence that these intermediaries are market shareholders shall be required for such purposes, thus allowing all participants to have open and equal access.
- b) Authorize, suspend or revoke the authorization for the listing and/or trading of marketable securities as provided by their own regulations.
- c) Issue regulations to ensure that prices and trading transactions recorded are true.
- d) Issue any necessary rules and provisions to ensure that any trades carried out by their intermediaries are effectively carried out.
- e) Issue regulations containing best practices measures to guarantee regular trading operations and the fulfillment of obligations and charges undertaken by the registered intermediaries, which shall be submitted for approval to the Securities and Exchange Commission.
- f) Establish arbitration courts as provided by Section 46 hereof.
- g) Issue newsletters.
- h) Manage trading systems for marketable securities existing thereof.
- i) Register derivatives agreements executed outside the markets authorized by the Securities and Exchange Commission.

- j) Manage by themselves or through third parties' transactions settlement and/or clearing systems based on the different trading segments authorized by the Securities and Exchange Commission. In the cases of administration of the
 - 1. settlement and clearing of the guaranteed trading segments, the markets shall perform the duties assigned to clearing houses as provided for in Section 35 hereof or sign agreements with entities authorized for such purpose.
- k) Perform the supervision, inspection and auditing of all the participating intermediaries and the operations carried out within their scope.

II. Total or Partial Delegation of Duties.

The powers set forth in Subsections b), f) and g) above may be exercised by the market or partially or totally delegated to a qualified entity based on their expertise for the purpose of carrying out said activities, which shall be authorized by the Securities and Exchange Commission.

(Section replaced by Section 50 of Law No. 27,440 - 5/11/2018)

SECTION 33. *Concurring Powers.*

The powers conferred to markets shall not prevent the exercise of concurring powers by the Securities and Exchange Commission for purposes of establishing minimum requirements to be applied on a uniform basis throughout the country.

SECTION 34. *Current Price.*

The result of any trades usually conducted in a market shall determine the current price of securities.

SECTION 35. *Clearing Houses.*

I. Duties.

In accordance with the terms of the regulations of the Securities and Exchange Commission, clearing houses shall have the following duties, notwithstanding those set forth by said body:

- a) Administer settlement and clearing systems for marketable securities operations.
- b) Require all participating intermediaries the initial margins, their replacement, the assets to be used as guarantee and the currency to guarantee their transactions.
- c) Receive and administer the guarantees given by the participating intermediaries.
- d) Establish participation requirements of intermediaries.
- e) Keep and administer guarantee funds to be used against defaults incurred by participating intermediaries.
- f) Register derivatives agreements executed outside the markets authorized by the Securities and Exchange Commission.

- g) Issue regulations containing best practices measures to guarantee regular settlement and clearing operations and fulfillment of obligations and charges undertaken by the participating intermediaries, which shall be submitted for approval to the Securities and Exchange Commission.
- h) Perform the supervision, inspection and auditing of all the participating intermediaries and of the transactions carried out within their scope.

II. Equity and Liquidity Requirements for Clearing Houses.

The Securities and Exchange Commission shall set forth equity and liquidity requirements for clearing houses as well as their risk management systems, which shall include, at least, the credit, counterparty, market, liquidity, operational and legal risks.

(Section replaced by Section 51 of Law No. 27,440 - 5/11/2018)

SECTION 36. Fees.

Fees and charges to be paid to markets and clearing houses and other registered intermediaries for their services shall be freely determined, subject to any maximum amounts set forth by the Securities and Exchange Commission, which may differ according to the kind of instruments and whether the issuers are a small and medium-sized enterprises or small investors or not.

(Section replaced by Section 52 of Law No. 27,440 - 5/11/2018)

SECTION 37. Recourses.

A market decision to refuse, suspend or revoke the listing and/or trading of any securities shall be appealable to the Securities and Exchange Commission, without stay of execution, in the event of an infringement of any regulations thereof within fifteen (15) business days.

The writing of appeal and grounds therefor shall be filed with the market, which shall in turn submit it to the Securities and Exchange Commission within three business days, with or without the addition of its own report.

The Securities and Exchange Commission shall enter a decision without any further hearing, except for any actions it may take in order to request the addition or clarification of evidence for a better adjudication of the case.

SECTION 38. Listing or Trading Authorization.

Markets shall only authorize the listing and/or trading of securities and other financial instruments when the public offering thereof has been authorized by the Securities and Exchange Commission or when required to do so under a court order. Trades involving securities which are ordered under judicial proceedings must be carried out by an agent within the trading scope of the respective market.

SECTION 39. *Trading Systems.*

Marketable securities trading systems under public offering regulations carried out in markets shall ensure the full effectiveness of principles for the protection of investors, equity, efficiency, transparency, absence of fragmentation and reduction of systemic risks. Markets shall establish their respective regulations, which shall be approved by the Securities and Exchange Commission.

The Securities and Exchange Commission may require that markets on which marketable securities are listed and/or traded and clearing houses establish access and connection mechanisms, with standardized communication protocols of the computer systems of the different areas of trading and/or settlement and clearing and/or custody. Also, the Securities and Exchange Commission may require the creation of marketable securities trading systems aimed at giving prevalence to trading with interference of offerings according to the principle of price and time priority.

(Section replaced by Section 53 of Law No. 27,440 - 5/11/2018)

SECTION 40. *Guarantee of Trades.*

Pursuant to the regulations of the Securities and Exchange Commission, markets shall identify with utmost clarity in their respective bylaws and regulations the circumstances and conditions under which they shall guarantee the performance of their transactions or of transactions registered therewith.

If transactions are guaranteed, the market or the clearing house, where appropriate, shall act as central counterparty, in accordance with the regulations issued by the Securities and Exchange Commission for such purposes. The market or the clearing house shall be required to settle any outstanding operations of an intermediary that is subject to reorganization proceedings or has been declared bankrupt. If as a result of said settlement a balance amount is payable to the insolvent or bankrupt debtor, said amount shall be deposited by the market by virtue of the corresponding proceedings.

(Section replaced by Section 54 of Law No. 27,440 - 5/11/2018)

SECTION 41. *Document as Proof of Right of Execution.*

In the event that the effective consummation of trades is not guaranteed, markets shall be required to issue, for the benefit of any agent that has sustained a loss as a result of a failure in compliance by the other contracting party, a certificate evidencing the amount of such compliance failure. This certificate shall be proof of the first party's right of execution.

SECTION 42 of Law No. 26,831 is hereby repealed.

(Article repealed by Article 55 of Law No. 27,440 - 5/11/2018)

SECTION 43. *Events of Default.*

The principal shall deliver any collateral and reimburse any deficit amounts to the respective agent within the periods established by market regulations. The agent shall otherwise be authorized to settle the trading transaction.

SECTION 44. *Regulations.*

The Securities and Exchange Commission shall approve all regulations set forth by markets, clearing houses and registration entities before their effective date. Markets and clearing houses shall, at all times, ensure that their regulations comply with the regulations issued by the Securities and Exchange Commission.

(Section replaced by Section 56 of Law No. 27,440 - 5/11/2018)

SECTION 45. *Guarantee Fund.*

Markets and/or clearing houses shall establish, in accordance with the regulations of the Securities and Exchange Commission, guarantee funds aimed to address the default incurred by their participating intermediaries and arising from guaranteed operations. These funds shall be organized under a trust or any other figure approved by the Securities and Exchange Commission and shall comply with the best international practices in the matter. Any amounts accumulated therein shall be invested in the manner and shall be subject to the conditions established by the Securities and Exchange Commission, which shall determine the proper security, profitability and liquidity criteria to be applied.

Any amounts allocated to the guarantee funds hereof and the latter, as well as their profits, shall be exempt from any taxes, duties or other fiscal charges, including the Value Added Tax, the tax referred to in the first Section added after Title VI, Section 25, of Law No. 23,966 and the Tax on Credit and Debit in bank accounts and other transactions, and in this case, the provisions of Section 2, second paragraph, of Law No. 25,413, as amended, shall not be applied. The provinces and the Autonomous City of Buenos Aires are invited to adhere with their corresponding exemption from taxes.

(Section replaced by Section 57 of Law No. 27,440 - 5/11/2018)

SECTION 46. *Arbitration court.*

All markets shall have a permanent arbitration court in place, which any entities whose securities are traded in such markets shall be mandatorily subject to as regards their relations with shareholders and investors. This arbitration court shall be competent to hear any actions under Argentine Companies Law No. 19,550 (codified text 1984), as amended, including any actions challenging resolutions adopted by corporate bodies and liability actions brought against any members thereof or other shareholders, and any actions for the nullity of certain sections of corporate bylaws or regulations. In all events, regulations shall safeguard the right of shareholders and investors to choose to file an action in a court of competent jurisdiction.

In case the law provides for a joinder of any actions filed in pursuit of the same purpose in one court, such joinder shall be effected in the legal court.

Also, any persons making a public tender offer for shares shall be subject to the jurisdiction of the arbitration court with respect to the recipients of such tender offer.

Any regulations issued by markets regarding the creation and performance of arbitration courts shall be submitted to the Securities and Exchange Commission for its prior approval.

CHAPTER II

Registered Agents

SECTION 47. Registration.

Authorization by and registration with the Securities and Exchange Commission is required for an intermediary to act as such. Intermediaries shall be required to comply with any formalities and other requirements set forth by the Securities and Exchange Commission for each category.

(Section replaced by Section 58 of Law No. 27,440 - 5/11/2018)

SECTION 48. Prohibitions and Incompatibilities.

None of the following persons shall be authorized to be registered as an agent:

- a) Persons convicted of crimes under sections 176 to 180 of the Argentine Criminal Code or crimes committed for profit or involving public instruments or subject to a primary, concurrent or alternative penalty of disqualification to hold public office, until ten (10) years after completion of the service of sentence;
- b) Persons adjudged bankrupt and subject to insolvency proceedings, until five (5) years after they have been discharged;
- c) Persons regularly employed by any companies listing and/or trading securities, according to their respective categories;
- d) Paid officers and employees of any National, provincial, Autonomous City of Buenos Aires and municipal governments, other than those working as teachers or members of study commissions;
- e) Persons whose former registration as agents has been cancelled or revoked, until five (5) years after cancellation was final and non-appealable.
- f) Companies whose controlling shareholders, managers or statutory auditors include one or more persons whose former registration as agents has been cancelled until five (5) years after cancellation was final and non-appealable.

- g) Persons whose duties are incompatible with a registered agent's responsibilities under regulations issued by the Securities and Exchange Commission;
- h) Members of management or supervisory bodies of any security deposit agents.

When an event of incompatibility occurs after an agent's registration, the agent shall be suspended in its duties until such event has ceased.

SECTION 49. *Authorization.*

The request for authorization shall be submitted to the Securities and Exchange Commission and the Securities and Exchange Commission shall make its decision within twenty (20) business days after its receipt thereof.

Notice of the Securities and Exchange Commission decision shall be given to the submitting party, who in the event of a negative decision shall be able to challenge it within ten (10) business days.

Upon the lapsing of this period or immediately upon a positive decision by the Securities and Exchange Commission, the agent shall be registered in the category for which registration has been requested.

SECTION 50. *Denial of Registration.*

If a requesting party's authorization for registration is denied by the Securities and Exchange Commission, such party may file any of the petitions contemplated under applicable law. A denied request for registration may be newly filed only after two (2) years have elapsed after the time when the relevant resolution became final.

SECTION 51. *Non-Compliance.*

After an agent has been authorized and registered, it shall act in compliance with all the requirements established by the Securities and Exchange Commission for the term of its registration, and shall refrain from acting as an agent when in default under any requirements, conditions and obligations prescribed by the Securities and Exchange Commission, without prior demand.

A failure to comply with any of the requirements, conditions and obligations imposed by the Securities and Exchange Commission shall be cause for an agent to be preventively suspended until as a result of subsequent events a review of such suspension is deemed advisable, notwithstanding any penalties that may be imposed on infringers under section 132 of this law.

SECTION 52. *Registration Publication.*

The Securities and Exchange Commission shall publish the registration of intermediaries, detailing the different categories under which intermediaries have been registered.

(Section replaced by Section 59 of Law No. 27,440 - 5/11/2018)

SECTION 53. Confidentiality.

Registered intermediaries shall keep any trading transactions made by them on behalf of third parties and the names thereof confidential. They shall be released from said responsibility by a judicial order issued by competent courts hearing proceedings related to such operations or to third parties involved therein, and at the request of the Securities and Exchange Commission, the Central Bank of the Argentine Republic, the Financial Intelligence Unit or the Argentine Superintendence of Insurance within the framework of investigation proceedings related to their own duties. Notice of such requirement shall be given by the aforementioned three (3) entities to the Securities and Exchange Commission at the time of exercising the power herein granted thereto.

Also, the confidentiality duty shall not apply to the information requested in the performance of its duties by the Federal Administration of Public Revenues, a self-sufficient entity under the Ministry of Finance, whether in relation to specific or general matters or with reference to one (1) or more specific individuals, including individuals not subject to auditing proceedings. However, any information required on stock exchange issues shall not make reference to ongoing transactions or transactions pending settlement.

(Section replaced by Section 60 of Law No. 27,440 - 5/11/2018)

SECTION 54. Probative Value.

The signature of a registered agent shall certify the authenticity of any documents signed by it.

The Securities and Exchange Commission shall establish the formal requirements to be satisfied by any documents in order to avail of the above legal presumption.

SECTION 55. Liability.

A registered intermediary, as appropriate by virtue of the activities they carry out, shall be liable to the market for any amount paid by such entity on their behalf.

Provided that the above circumstance has not been remedied and evidence of the occurrence of acts of god or force majeure events has not been submitted by the intermediary, the latter shall be disqualified to perform their duties.

(Section replaced by Section 61 of Law No. 27,440 - 5/11/2018)

SECTION 56. Disciplinary Jurisdiction.

Registered intermediaries shall be subject to the sole disciplinary jurisdiction of the Securities and Exchange Commission, to which markets and clearing houses shall report any

failures incurred by their member intermediaries resulting from audits and supervisory, auditing and control duties performed by said markets and clearing houses over them in the terms of the regulations issued by the Securities and Exchange Commission for such purposes. The deliberate omission or lack of due diligence in the control of authorized intermediaries by markets, clearing houses and registry entities of derivatives transactions shall be sanctioned by said body.

(Section replaced by Section 62 of Law No. 27,440 - 5/11/2018)

SECTION 57. *Risk Rating Agencies.*

The Securities and Exchange Commission shall establish any formalities and other requirements to be satisfied by entities that request to be registered as risk rating agencies, including the regulation of the provisions hereunder, and specifying the type of organizations that may conduct such business.

The Securities and Exchange Commission shall be authorized to admit into its register any public universities authorized to act as such and establish any requirements to be complied with by them in such respect based on their respective nature.

The risk rating agencies may not provide auditing, consulting, and/or advisory services to the contracting entities or to entities belonging to their control group.

(Section replaced by Section 63 of Law No. 27,440 - 5/11/2018)

SECTION 58. *Instruments Subject to Rating.*

Risk rating agencies shall be allowed to rate, at the request of issuers and other entities, any securities, whether or not subject to public offering regulations.

CHAPTER III

Issuers

SECTION 59. *Applicable regulations.*

Issuers within the scope of public offering regulations shall be subject to the rules contained in this chapter, which shall be supplementary to applicable law according to the legal form of each entity.

SECTION 60. *Accounting standards.*

Issuers within the scope of public offering regulations are subject to the provisions set forth below as regards accounting information:

- a) For information purposes only and notwithstanding any obligations that may be enforceable against each company, the Securities and Exchange Commission shall, on an individual basis, be able to authorize the controlling entity to disclose its consolidated financial statements solely when the condition of and information on the

company authorized to publicly offer its securities are clearly, truthfully and more faithfully reflected in those statements;

- b) Notwithstanding any information that may be required under applicable statutory regulations, issuers shall include the following additional information in the supplementary notes to their respective financial statements:
 - I. In the case of corporations, any shares issued or authorized to be issued by a shareholders' meeting and the shares actually issued; also, pursuant to any applicable statutory rules and regulations, any granted options and any convertible or other securities conferring rights to a distribution of the company's income;
 - II. Any agreements that contain a prohibition to encumber and/or dispose of the whole or a part of the company's assets, and adequate information concerning such commitments;
 - III. Sufficiently detailed information on the company's policy on the assumption and hedging of market risks, with special reference to futures, options and/or any other derivatives contracts;
- c) Notwithstanding the provisions of section 66 of Argentine Companies Law No. 19,550 (codified text 1984), as amended, and additional regulations to be established by the Securities and Exchange Commission, the company's annual report shall include at least the following, as additional information:
 - I. The company's intended business policy and other relevant business, financial and investment planning issues;
 - II. Any matters related to the company's decision-making structure and internal control system;
 - III. The dividends policy that has been proposed or recommended by the board of directors, including a well-founded and detailed explanation thereof;
 - IV. The form of remuneration of members of the board of directors and compensation policy for company managers, stock option plans and any other form of remuneration of company directors and managers.

The information reporting obligation shall extend to any subsidiaries where substantially different systems or policies are applied.

The Securities and Exchange Commission may authorize the delivery of all accounting and other financial information by electronic or other means of communication, provided such means satisfy any security requirements that it may establish to such an effect.

SECTION 61. *Management.*

An issuer's management body shall be able to transact business with its members present at a meeting or in communication with each other by other means for the simultaneous transmission of sound, images and speech where this is permitted by the corporate bylaws. The supervisory body shall expressly record the fact that any actions have been taken according to applicable rules.

It shall be understood that only members present at a meeting shall be computed to determine the existence of quorum, unless provided otherwise under the bylaws.

Also, the bylaws shall establish in what manner the remote participation of any members shall be expressly set forth in the records of a meeting.

In the case of remote meetings held by the management body, the records of the meeting shall be drawn up and signed within five (5) business days after the meeting has been held by any members present thereat and a representative of the supervisory body. The corporate bylaws may provide that remote shareholders' meetings may also be held, and for such purpose the Securities and Exchange Commission shall establish rules concerning the necessary means and conditions to ensure the safety and transparency of any such acts.

SECTION 62. *Capital Increases.*

When adopting a capital increase resolution, a shareholders' meeting may authorize the board of directors to increase the authorized number of shares to contemplate the possibility of subscription requests exceeding the number of shares offered to be issued by the company. In such an event, a shareholders' meeting shall establish a limit to such excess issuance. The limit set by the Securities and Exchange Commission shall not be exceeded, and any requirements to be complied with in such an event shall be established by the Securities and Exchange Commission.

SECTION 62 bis.

I. In the case of a share capital increase or convertible marketable securities offered through public offering under the terms hereof and subject to compliance with the two (2) conditions set forth in this section, second paragraph, the preemptive right provided for in Section 194 of Companies Law No. 19,550, revised text 1984, as amended, and in Section 11 of Law No. 23,576, as amended, shall be exercised exclusively through the placement procedure determined in the corresponding public offering prospectus and the term provided therein shall not be applied, thus giving shareholders and holders of convertible corporate bonds, beneficiaries of the preemptive right, awarding priority up to the amount of their shares based on their share-holding percentage. This shall occur provided that purchase orders submitted by shareholders or holders of convertible marketable securities beneficiaries of the preemptive right (i) are issued at the price resulting from the placement procedure or at a set price that is equal to or greater than the subscription price set in the public offering; and/or (ii) shareholders or holders of convertible corporate Bonds, beneficiaries of the preemptive right express their intention to subscribe shares at the placement price set in accordance with the placement procedure used.

The two (2) conditions referred to hereinabove shall be: (i) the inclusion of an express provision in the bylaws; and (ii) the decision of stockholders at a meeting approving each issuance of capital stock and convertible marketable securities.

Unless otherwise set forth in the companies' bylaws, in no case shall the oversubscription right be applied.

II. Legal entities incorporated abroad may participate in all Stockholders' meetings, including, but not limited to, those set forth herein of companies authorized to make a public offering of their shares through duly authorized intermediaries, with no further registration requirement.

(Section replaced by Section 64 of Law No. 27,440 - 5/11/2018)

SECTION 63. *Stock Options.*

In the case of companies that publicly offer their shares and when such possibility is contemplated in the corporate bylaws, the issuance of stock options on shares to be issued or of convertible securities may be approved, and the responsibility of establishing the terms and conditions of such issuance and the rights to be conferred under such instruments delegated to the board of directors, by a shareholders' meeting. The setting of prices for any options and for any shares to be acquired under such options may be delegated to the management body. Any resolutions respectively adopted by meetings of shareholders and of the board of directors shall be published and recorded. The provisions of sections 11, 12 and 17 to 27 of Argentine Law No. 23,576, as amended, shall be additionally applicable.

SECTION 64. *Purchase of Own Shares.*

A corporation shall be able to purchase any shares previously issued by it, provided such shares have been authorized for public offering and are listed on a market pursuant to this section and subject to other conditions established by the Securities and Exchange Commission. Applicable regulations shall safeguard the principle of equal treatment to all shareholders and the right of investors to be fully informed.

Any purchase of an issuer's own shares shall comply with the required conditions set forth below:

- a) Any shares to be purchased shall have been fully paid;
- b) The board of directors shall have adopted an adequately substantiated resolution, including a report by the audit committee and by the statutory auditors' committee. The resolution of the board of directors shall establish the purpose of the purchase, the maximum amount to be invested in connection therewith, the maximum number of shares or maximum equity interest to be purchased and the maximum price to be paid for any shares; the board of directors shall furnish shareholders and investors extensive and detailed information on the purchase;

- c) The stock purchase shall be paid from liquid and realized profits or else from free or facultative reserves, and evidence that the company has the necessary liquid funds and that the relevant purchase does not affect the company's creditworthiness shall be provided to the Securities and Exchange Commission;
- d) The whole number of shares to be purchased by the company, including any shares previously purchased and retained in the company's possession, shall in no event exceed ten per cent (10%) of the company's capital stock or a smaller percentage to be established by the Securities and Exchange Commission on the basis of the volume of trading of the shares in question.

SECTION 65. Disposition.

Any shares purchased by a company in excess of the above limits shall be disposed of within ninety (90) business days after the date of the purchase having caused such excess as provided by subsection (d) of the preceding section, notwithstanding any liability that may be incurred by the directors of the company.

SECTION 66. Form of purchase.

Any transactions made for the purpose of a company's purchasing its own shares may be carried out by means of a market trading transaction or a public tender offer.

In the event of a market purchase, the amount of any such purchases made on one day shall not exceed twenty five per cent (25%) of the average daily volume of trading in such company's shares during the previous ninety (90) business days. In any event, the Securities and Exchange Commission may require that a purchase be performed by means of a public tender offer when the shares to be purchased represent a significant percentage of the average trading volume.

SECTION 67. Consequences Derived from Purchase.

Any shares purchased pursuant to the provisions contained in the preceding sections shall be disposed of by the company within not more than three (3) years after the purchase.

Upon the lapsing of the above period and in the absence of any resolutions adopted by a shareholders' meeting, the company's capital stock shall be reduced by operation of law by an amount equal to the nominal value of any shares then held in portfolio, which shares shall be cancelled.

At the time of disposing of such shares the company shall make a preemptive offer to shareholders under section 221 of Argentine Companies Law No. 19,550 (codified text 1984), as amended. This preemptive offer shall not be required if the sale is made for purposes of implementing an employee compensation program or plan, or if the shares are distributed to all shareholders pro rata to their respective holdings, or if the sale involves a number of shares not exceeding, in any twelve (12) month period, one per cent (1%) of the

company's capital stock, provided that in any such events the prior approval of a shareholders' meeting has been obtained.

In case shareholders fail to exercise, whether in whole or in part, their preemptive right as provided in the preceding paragraph or the number of shares is within the above mentioned limits, the relevant shares shall be disposed of on a market.

SECTION 68. *Stock Owned by Employees.*

At the time of voting for a capital increase, a shareholders' meeting may decide to allocate a portion of any new shares to be issued for the distribution thereof to employees of the company or of any one or more subsidiaries thereof under a regular employment relationship. The cumulative aggregate number of any shares issued for this purpose shall not exceed ten per cent (10%) of the company's capital stock.

A shareholders' meeting may decide that any such shares shall be given as a bonus, in which case liquid and realized profits or free reserves shall be allocated to this purpose, or else that they shall be subject to payment by the respective beneficiaries, and in such an event the form of payment shall be established by such shareholders' meeting.

SECTION 69. *Regulatory Guidelines.*

The Securities and Exchange Commission shall establish guidelines in relation to:

- a) Stock exchange offers or any similar procedures;
- b) Voting by entities holding shares on behalf or for the account of third parties under a trust, in deposit or under a similar legal relationship, where authorized under the respective contracts;
- c) The public solicitation of proxies for purposes of ensuring the right of investors to be fully informed.

Any shareholders wishing to publicly request the granting of a proxy shall submit the relevant request pursuant to the regulations established by the Securities and Exchange Commission to such an effect. To submit such a request, a shareholder shall hold not less than two per cent (2%) of the capital stock represented by any voting shares and have been a shareholder for not less than one (1) year; also, any formal requirements established by the Securities and Exchange Commission shall be complied with. A proxy shall always be revocable and must be granted for a specific shareholders' meeting.

Any shareholders submitting such requests shall be held liable for the information contained in the proxy form to be registered with the Securities and Exchange Commission, and for any information that may be disclosed while the request is pending. This information must be sufficient as to enable shareholders to make a fully informed decision. Any intermediaries taking part in the above request shall diligently check the accuracy of any such information.

A failure to comply with any of the duties set forth in this paragraph and regulations hereunder shall be penalized by the Securities and Exchange Commission, notwithstanding any common law liability that infringers might incur.

SECTION 70. *Notice of Shareholders' Meetings.*

Companies publicly offering their shares shall publish the first notice of a shareholders' meeting not less than twenty (20) calendar days or more than forty five (45) calendar days before the date set for the meeting to be held. The above periods shall be counted as from the last publication of a notice of meeting.

The board of directors shall, twenty (20) calendar days before the date set for a shareholders' meeting to be held, make available to the shareholders at the company's principal offices or by electronic means any relevant information concerning the meeting to be held, documents to be considered thereat and any proposals submitted thereto by the board of directors.

Up to five (5) calendar days before the date when an annual shareholders' meeting is to be held to consider the documents for the fiscal year, shareholders representing not less than two per cent (2%) of the capital stock may submit to the company's principal offices any comments or proposals relating to the conduct of the corporate business during the fiscal year. The board of directors shall inform shareholders that such comments or proposals are available at the company's principal offices or may be accessed by electronic means.

SECTION 71. *Annual shareholders' meetings.*

In the case of companies that publicly offer their shares each annual shareholders' meeting shall, in addition to the matters referred to in section 234 of Argentine Companies Law No. 19,550 (codified text 1984), as amended, adopt resolutions on any of the matters set forth below:

- a) Any disposition of or lien on the whole or a material portion of the company's assets when made or created outside the ordinary course of business of the company;
- b) The execution of company management contracts. Also, the approval of any other agreements pursuant to which any assets or services received by the company will be wholly or partially paid from a percentage of the company's revenues, income or profits for a significant amount as compared to the company's business turnover and net worth.

SECTION 72. *Contracts with related parties.*

In the case of companies that publicly offer their shares, any acts performed or contracts executed between the company and a related party and involving a significant amount shall be performed or executed pursuant to the procedure set forth below.

For purposes of this section:

- a) A “related party” shall mean any of the following persons with respect to the issuer:
- I. Directors, members of the supervisory body or surveillance committee, as well as chief executive officers or special managers of the issuing company appointed under Section 270 of Argentine Companies Law No. 19,550 (codified text 1984), as amended;
 - II. Natural persons or legal entities controlling or holding a substantial interest, as determined by the Securities and Exchange Commission, in the capital stock of the issuer or the issuer’s controlling entity;
 - III. Any other company under the common control of the same controlling entity;
 - IV. The ascendants, descendants, spouses or siblings of any of the natural persons referred to in paragraphs I and II above;
 - V. Companies in which any of the persons referred to in paragraphs I to IV above hold a significant direct or indirect interest. Provided none of the circumstances described above is present, a subsidiary of the issuer shall not be deemed a “related party”;
- b) A “significant amount” shall be deemed involved in an act or contract when such amount exceeds one per cent (1%) of the company’s shareholders’ equity as shown in the most recently approved balance sheet.

The board of directors or any members thereof shall request the audit committee to state whether in its opinion the terms of a transaction may be reasonably deemed adapted to regular and usual market conditions. The audit committee shall issue its pronouncement within five (5) business days.

Notwithstanding the above inquiry from the audit committee, a resolution may be adopted by the company on the basis of a report from two (2) independent evaluation companies, which shall express their opinion on the same matter and other terms of the transaction.

SECTION 73. Procedure.

Promptly after the approval by the board of directors of any acts or contracts referred to in the preceding section, they shall be reported pursuant to section 99, subsection (a), of this law, indicating that a pronouncement has been obtained from the audit committee or, if applicable, from independent evaluation companies.

The audit committee’s report or independent evaluation companies’ reports, as applicable, shall be made available by the board of directors to the shareholders at the principal offices of the company on the business day following the adoption of the relevant resolution by the board of directors, notice of which circumstance shall be given to the shareholders through the respective market newsletter.

The controlling entity or related person that is the counterparty to the transaction shall, if applicable and before the transaction is approved by the board of directors, make available to the board all background information, reports, documents and disclosures referring to the transaction and which have been previously submitted to foreign supervisory or regulatory entities of competent jurisdiction or to foreign stock exchanges.

The affirmative or negative vote cast by each director shall be recorded in the minutes of the board meeting at which the transaction was approved.

The transaction shall be subject to prior approval by a shareholders' meeting when the contemplated terms thereof have not been qualified as reasonably adapted to market conditions by the audit committee or both evaluation companies.

SECTION 74. *Legal Burden of Proof.*

In case a claim for compensation for damages is filed by a shareholder as a result of an infringement of the preceding section, the defendant shall bear the burden of proving that the act or contract was adapted to market conditions or that no harm was sustained by the company as a result of the terms thereof. Such reversal of the burden of proof shall not be applicable in the case of transactions approved by the board of directors upon a positive opinion expressed by the audit committee or both (2) evaluation companies, or transactions approved by an annual shareholders' meeting without the shareholder that is a related party or has an interest in the act or contract in question having cast a deciding vote.

SECTION 75. *Remuneration of Directors.*

Companies authorized to make public offering of their shares may provide, as a form of remuneration of board members performing executive or technical and administrative duties and managers, stock purchase options on the company's own shares in compliance with the procedures and requirements established by the Securities and Exchange Commission to that effect. In these cases, the price of any options and of the shares to which holders will be entitled under those options, and the amount to be computed for remuneration purposes in relation to the limits established under Section 261 of Argentine Companies Law No. 19,550 (codified text 1984), as amended, shall be determined by a shareholders' meeting. Unless provided otherwise under its corporate bylaws, civil liability insurance may be carried by a company for the benefit of its directors so as to cover any risks inherent in the performance of their duties.

SECTION 76. *Civil Liability Actions.*

In the case of companies that publicly offer their shares, civil liability actions under section 276 of Argentine Companies Law No. 19,550 (codified text 1984), as amended, may, in the event they are to be brought by individual shareholders, be filed to claim compensation on behalf of the company for the total damages sustained by it or else to claim compensation for a partial damage indirectly sustained by the shareholder pro rata to its respective holding, in which case the compensation amount shall be paid to and owned by the shareholder.

Where a defendant under a civil liability action is sued for the whole damage allegedly sustained by the company, the defendant may elect to agree to pay to shareholder plaintiffs an amount in compensation for any indirect damages sustained by them as determined, pro rata to their respective holdings.

SECTION 77. *Assignment of Duties.*

In the case of companies that publicly offer their shares, the assignment of specific duties to directors under section 274, second paragraph, of Argentine Companies Law No. 19,550 (codified text 1984), as amended, shall be registered with the Public Registry of Commerce as provided and additionally be informed to the market on which the shares of such companies are listed on.

SECTION 78. *Duty of Loyalty of Directors.*

In the case of companies that publicly offer their shares, the directors' duty of loyalty shall be deemed to expressly include the following rules:

- a) A director shall not be allowed to make use of any corporate assets or confidential information for his/her own private purposes;
- b) A director shall not be allowed to profit or permit a third party to profit, whether by an action or an omission to act, from any business opportunities available to the company;
- c) Directors shall be required to exercise any powers conferred to them solely for the purposes for which they were conferred under the law or the corporate bylaws or by a shareholders' meeting or the board of directors;
- d) A director shall be required to meticulously ensure that no conflict of interest, whether direct or indirect, shall under any circumstances arise between his/her actions and the company's interests.

In case of doubt as to a director's compliance with his/her duty of loyalty, the burden of proof shall be borne by the director.

SECTION 79. *Statutory Auditors' Committee.*

In the case of companies falling within the scope of public offering regulations regarding shares or debt securities, the Statutory Auditors' Committee shall consist of independent members only.

Companies making public offering of shares and having an Audit Committee may dispense with a Statutory Auditors' Committee. In this case, members of said committee shall have the powers and duties conferred under Section 294 of Companies Law No. 19,550, revised text 1984, as amended.

The resolution to dispense with the Statutory Auditors' Committee shall be adopted by stockholders at a Special Meeting, whether on first or second call, with the attendance of shareholders representing at least seventy-five percent (75%) of voting shares. Resolutions shall be adopted with the affirmative vote of seventy-five percent (75%) of all voting shares, and no plurality of votes shall be applied.

In the event that the Statutory Auditors' Committee is dispensed with, all members of the Audit Committee shall meet all suitability and experience requirements, and shall be subject to regulations on disqualifications and incompatibilities regarding receivers contained in Sections 285 and 286, et seq., of Companies Law No. 19,550, revised text, 1984, as amended, and shall thus be subject to all liabilities set forth in Section 294 thereof.

(Section replaced by Section 65 of Law No. 27,440 - 5/11/2018)

PART III

Public Offer

CHAPTER I

Public offer of securities and other financial instruments

SECTION 80. Powers.

The Securities and Exchange Commission will be the implementing and enforcement authority for the public offer of securities within Argentina.

This agency shall provide, whenever it may deem appropriate, the prequalification of the authority for the public offer of the securities by exchanges and markets at the beginning of the process, which shall be subject to the formalities and requirements set by the agency to these effects.

SECTION 81. Regulatory powers.

The Securities and Exchange Commission may establish different authorization schemes for public offer according to objective or subjective characteristics of issuers and / or recipients of the offers, the limited number of the latter, the issuer's domicile of incorporation, the minimum amount of issues and / or placements, the nature, origin and / or kind of securities, or any other characteristic that could be reasonably justified.

All trading of instruments that in the Securities and Exchange Commission opinion have similar characteristics to the public offer as defined in this law shall be deemed as such, and shall be subject to the Securities and Exchange Commission rules

SECTION 82. Purpose and Parties of the Public Offering.

Marketable securities issued or grouped in series that, by virtue of having the same characteristics and granting the same rights in their class, are offered in generic form and are individualized at the time of execution of the corresponding agreement and any financial instrument authorized by the Securities and Exchange Commission may be subject to a public offering.

The public offering of marketable securities or other financial instruments shall be performed by the corresponding entities or registered intermediaries authorized by the Securities and Exchange Commission for such purposes.

The aforementioned body may issue rules setting forth and regulating specific cases according to which an offering of marketable securities would not be deemed a public offering but a private one, for which it may take into consideration the means and mechanisms of promotion, offer and distribution and the number and type of investors at whom the offer is aimed.

(Section replaced by Section 66 of Law No. 27,440 - 5/11/2018)

SECTION 83. Securities Issued by Public Entities.

Public offering of marketable securities issued by the National Government, the provinces, the Autonomous City of Buenos Aires, municipalities or self-sufficient entities, as well as by multilateral credit agencies of which the Argentine Republic is a member are not covered by this law.

Trading of the aforementioned marketable securities shall be deemed a public offering and shall be subject to the provisions hereof if said trading is carried out by a private individual or legal entity, under the terms set forth in Section 2 hereof.

The public offering of marketable securities issued by foreign States, their political subdivisions and other foreign state-owned entities within the Argentine territory shall be authorized by the Argentine Executive Power, with the exception of issues of national States of countries members of the Southern Common Market (MERCOSUR), which shall be automatically deemed a public offering under condition of reciprocity.

(Section replaced by Section 67 of Law No. 27,440 - 5/11/2018)

SECTION 84. Authorization Procedure.

The Securities and Exchange Commission shall issue a resolution on the authorization for public offering within thirty (30) business days from the time all documentation is collected to the satisfaction of said body, provided that no other applications are submitted or notes are made.

If said resolution is not issued within said term, the applicant may request for expedite procedure. If the Securities and Exchange Commission does not issue a resolution within fifteen (15) business days as from said request, the authorization shall be deemed granted unless the term is extended by the Securities and Exchange Commission based on a well-

founded decision. Such extension shall not exceed fifteen (15) business days as from the date when extension is provided. Upon expiration of said new term, the authorization shall be deemed granted.

The authorization to make a public offering of a certain amount of marketable securities, forward contracts, futures or options of any kind or other financial instruments shall not be deemed an authorization to offer other marketable securities issued by the same issuer, even if they have the same characteristics.

Denial shall not be based on reasons of opportunity, merit or convenience.

(Section replaced by Section 68 of Law No. 27,440 - 5/11/2018)

SECTION 85 of Law No. 26,831, as amended, is hereby repealed by Section 69 of Law No. 27,440 - 5/11/2018.

CHAPTER II

Takeover bid

SECTION 86. *Scope of Application and Procedure.*

Any public tender offer of voting shares of a company whose shares fall within the public offering system, either of a voluntary or mandatory character under the provisions of the sections below, shall be carried out pursuant to the provisions hereof and any other regulations that the Securities and Exchange Commission may issue for such purposes; transparency rules and principles on the protection of investors in public offerings shall also be applied.

Mandatory public tender offers set forth in Sections 87, 91 and 98 hereof shall (i) also include holders of subscription rights or share options, convertible debt securities or other similar marketable securities that, directly or indirectly, may entitle the holder to a subscription right, purchase or to a conversion into voting shares; and (ii) be carried out for the total number of voting shares and other marketable securities issued entitling holders to voting shares, and they shall not be subject to any condition whatsoever.

The procedure to be established by the Securities and Exchange Commission shall ensure and set forth:

- a) An equal treatment of shareholders both in terms of economic and financial conditions and in terms of any other condition for the purchase of all shares, securities or rights of the same class or kind.
- b) Compliance with the provisions on the equitable price, pursuant to Section 88 hereof.
- c) Reasonable and sufficient terms for recipients of the offer to have sufficient time to make a decision thereon, and also the method to calculate said terms.

- d) The obligation to supply detailed information to investors to enable them to make a decision relying on the necessary data and information, with full knowledge of the facts.
- e) The terms under which the offer is irrevocable.
- f) The creation of any guarantee for the fulfillment of obligations resulting from the offer.
- g) Regulations of the duties of the administrative body, in office at the time of the announcement of the offer, to provide, in the interest of the company and all holders of marketable securities subject matter of the offer, its opinion on the offer and on offer prices or the considerations offered, which shall be substantiated and be submitted together with one (1) or more independent valuation reports.
- h) The system of possible competing offers.
- i) Regulations on withdrawal or review of the offer, apportionment, revocation of acceptance, regulations on the best price offered and a minimum offering period, among others.
- j) The information to be submitted, which shall include a request for offer, and a notice and prospectus thereof.
- k) Regulations on the advertising of the offer and related documents issued by the offeror and the administrators of the company.
- l) In the case of swap offers of marketable securities, regulations on the financial and accounting information of the issuer of the marketable securities offered in said swap that shall be included in the offer prospectus.
- m) The validity of the principle that the administrative body of the company shall not hinder the regular development of the offer, unless it refers to the search for alternative offers or has received prior authorization for such purposes from shareholders at a special meeting during the term of the offer.
- n) That the company's business shall not be hindered based on the fact that its marketable securities are the subject matter of an offer for longer than is reasonable.
- o) The exemptions that are applicable to such procedure.

(Section replaced by Section 70 of Law No. 27,440 - 5/11/2018)

SECTION 87. *Takeover and Controlling Interest.*

- I. Takeover. Anyone who, individually or through concerted action pursuant to the definition set forth herein, has effectively taken a controlling interest in a company whose shares are admitted to public offering shall make a public tender offer at an equitable price, which shall be set pursuant to the provisions set forth in Section 88 hereof.
- II. Controlling Interest. For the purposes of this chapter, an individual shall be deemed as having, individually or through concerted action with other individuals, a controlling interest if said individual:
 - i) has reached, directly or indirectly, a percentage of voting rights equal to or greater than fifty percent (50%) of the company, without counting the shares that, directly or indirectly, belong to said company; or

ii) has reached an interest of less than fifty percent (50%) of voting rights of a company but acts as controlling party, pursuant to the definition set forth herein.

III. Submission Deadline.

The offer shall be submitted to the Securities and Exchange Commission as soon as possible and within one (1) month as from the closing of the controlling interest at the latest.

(Section replaced by Section 71 of Law No. 27,440 - 5/11/2018)

SECTION 88

I. Equitable Price in Offers for Takeover. The equitable price of mandatory public tender offers for takeover shall be the highest of the following:

- a) The highest price that the offeror or individuals acting through concerted action with the former would have paid or agreed upon for the marketable securities subject matter of the offer during the twelve (12) months prior to the effective date of the period during which the public tender offer is to be made.
- b) The mean price of the marketable securities subject matter of the offer during the semester immediately prior to the date of announcement of the transaction by which the change in the controlling interest is agreed, regardless of the number of negotiation sessions held.

In relation to Subsection a) above, takeovers of a relatively non-significant amount shall not be considered, provided that they have been made at the quoted price, in which case the highest price or the price paid for the remaining takeovers within the reference period shall be considered.

In the case of mandatory public tender offers for takeover, the price referred to in Subsection b) hereof shall not apply when the percentage of shares listed in a market authorized by the Securities and Exchange Commission represents at least twenty-five percent (25%) of the issuer's share capital and the liquidity conditions determined by said body in its regulations are met.

II. Equitable Price in Other Cases of Mandatory Offers. In the case of mandatory public tender offers under Sections 91 and 98, the following price criteria shall be considered:

- a. The highest price that the offeror, or individuals acting through concerted action with the former, would have paid or agreed upon for the marketable securities subject matter of the offer during the twelve (12) months prior to the notification set forth in Section 91, Subsection a), or the unilateral statement set forth in Section 91, Subsection b), or withdrawal request agreement in the case of Section 98 hereof.
- b. The mean price of the marketable securities subject matter of the offer during the semester immediately prior to the notification set forth in Section 91, Subsection a), or the unilateral statement set forth in Section 91, Subsection b), or withdrawal

request agreement in the case of Section 98 hereof, or as from the date on which the offer is to be made.

- c. The equity value of shares, where a special balance sheet of withdrawal of listing shall be considered for the purposes of Section 98 hereof.
- d. The value of the company valued according to criteria of discounted cash flows and/or indicators applicable to similar companies or businesses. e) The liquidation value of the company.

In no case shall the equitable price be lower than the highest of those set forth in Subsections a) and b) hereof.

In cases in which the mandatory public tender offer is to be made without the offeror having made the acquisition, the equitable price shall not be less than the one calculated according to the valuation methods set forth in Subsection b) hereof, the preceding regulations on price adjustment shall apply where appropriate.

III. Paying Up the Equitable Price. For the purposes of determining the equitable price, the offeror shall include the full amount of the consideration that in each case said offeror has paid or agreed to pay, and the following provisions shall apply, among others:

- a. In the event that the purchase is the exercise of a sale or purchase option of other derivatives, the premium paid under said options and derivatives shall be added to the purchase price, and the highest price resulting therefrom shall be applied.
- b. If securities are acquired through swap or conversion, the price shall be calculated as the weighted average of the market prices of said securities on the date of acquisition.
- c. If the acquisition includes an additional compensation to the price paid or agreed upon or if a deferred payment has been agreed upon, the price of the offer shall not be less than the highest amount resulting from including the corresponding amount of said compensation or said deferred payment.

IV. Valuation Report. Pursuant to the regulations of the Securities and Exchange Commission, the offeror shall submit a report on the methods and criteria used to determine the equitable price.

These criteria shall be taken into account jointly or separately together with the reasons for their respective relevance at the time of making the offer and shall be duly substantiated in the offer prospectus. The approval of the administrative and supervisory bodies and of the Audit Committee of the offeror, where appropriate, and the opinion of the selling shareholders in relation to Subsection III, Paragraph c) shall be required for all cases paying Up the Equitable Price.

V. Challenging the Price. The Securities and Exchange Commission may, within the period set forth in the regulations issued by said body, challenge the price offered pursuant to the provisions of the foregoing subsections if one of the following takes place:

- a) The negotiation of marketable securities of the company affected within the reference period is affected by the payment of a dividend, a corporate transaction or an extraordinary event that allows for an objective correction of the price.
- b) The negotiation of marketable securities of the company affected within the reference period reasonably indicates manipulation, thus resulting in investigation and/or summary proceedings by the Securities and Exchange Commission.
- c) The acquisitions of the reference period include an additional compensation to the price paid or agreed upon, in which case the price of the offer shall not be less than the highest price resulting from including the amount of said compensation.

If the conditions set forth in the regulations of the Securities and Exchange Commission are met and at the well-founded request of the offeror, said body may not apply Paragraph b) of Subsections I) and II) hereof to mandatory public tender offers when the affected company is evidently undergoing serious financial difficulties according to reliable evaluation methods arising from the regulations issued by said body for such purposes.

The Securities and Exchange Commission shall especially take into account the decision process determining the price of the offer, in particular, prior information and grounds for said decision, as well as the fact that for such decision the opinion of an independent specialized evaluator has been requested and the favorable opinion of the Audit Committee and the administrative and supervisory bodies of the company issuing the marketable securities subject matter of the offer has been granted. The Securities and Exchange Commission shall determine a procedure to be applied to cases in which said body challenges the price, which shall include the manner in which the offeror may contest the challenge of said body.

Mandatory public tender offers may not be issued until the challenges that the Securities and Exchange Commission may have regarding the price offered under the terms hereof as well as other aspects of the documentation submitted are solved.

If the Securities and Exchange Commission does not challenge the price offered within the term set forth in the corresponding regulations, shareholders shall still have the right to challenge said price in court or in arbitration proceedings. Shareholders may challenge said price pursuant to the provisions set forth in Section 96 hereof.

VI. Price in Voluntary Public Tender Offers. In voluntary public tender offers, the offeror may set the price at their discretion without applying the regulations set forth herein and in Section 98 hereof regarding the equitable price. Notwithstanding the foregoing, the offeror shall comply with all other obligations set forth herein and in the regulations issued by the Securities and Exchange Commission.

(Section replaced by Section 72 of Law No. 27,440 - 5/11/2018)

SECTION 89: *Non-compliance.*

In the event of failure to make a mandatory public tender offer, the Securities and Exchange Commission shall, upon notice to those bound to comply with the provisions hereof, order

the auction of the acquired interest, notwithstanding any other penalties that may be imposed, and the Securities and Exchange Commission may decide that those failing to make a public tender offer are not entitled to exercise any of the political rights arising from the company's shares to which they may be entitled to under any title whatsoever, and thus all acts adopted in the exercise of said rights shall be null and void.

Failure to make a public tender offer shall mean (1) not submitting it within the maximum term set forth, (2) submitting it with evident irregularities according to the criteria set forth in the regulations of said body, (3) submitting it after the maximum term set forth, and/or (4) not making it within the term set forth in the regulations issued by the Securities and Exchange Commission as from the time the public tender offer was mandatory.

(Section replaced by Section 73 of Law No. 27,440 - 5/11/2018)

SECTION 90. *Universal Scope.*

The provisions on public tender offers set forth herein shall include all companies authorized by the Securities and Exchange Commission as issuers in public offerings.

(Section replaced by Section 74 of Law No. 27,440 - 5/11/2018)

CHAPTER III

Residuary equity scheme

SECTION 91. *Cases.*

The provisions set forth herein shall apply to all corporations whose shares are subject to public offerings as authorized by the Securities and Exchange Commission.

If a corporation is subject to quasi-total control:

- a) Any minority shareholder may at any time make a formal request to the controlling party for the latter to make a purchase offer to all minority shareholders at an equitable price pursuant to the provisions set forth in Section 88, Subsection II), hereof.
- b) Within six (6) months as from the date on which quasi-total control by another party took place, the controlling party may issue a unilateral statement of said party's intent to purchase the total amount of the remaining share capital held by third parties.

(Section replaced by Section 75 of Law No. 27,440 - 5/11/2018)

SECTION 92. *Quasi-total control.*

To the effect of provisions under this chapter:

a) Quasi-total control of a corporation means a corporation in respect of which another individual or legal person, either directly or through one or more corporations which in turn are under its control, is the holder of ninety-five percent (95%) or more of the subscribed capital;

b) The date on which the law of transfer of ownership of shares necessary to reach the percentage provided in the preceding paragraph is perfected, shall be deemed as the date on which a corporation is under quasi-total control of another person.

c) Minority shareholders mean the holders of shares of any type or class, as well as holders of all other securities convertible into shares of non-controlling person;

d) The entitlement to exercise the right granted to minority shareholders is attributable only to those who can prove their ownership of shares or other securities as of the date on which the company was subject to quasi-total control; the entitlement is transmitted only to the universal successors;

e) The controlling company or person and the controlled company shall communicate the Securities and Exchange Commission, and the market where the controlled company shares are listed, the fact that there is a quasi-total control situation within the term and conditions specified by regulation. Without prejudice to any other penalties that may be appropriate, the right provided for in section 94 of this law shall not be exercised until compliance with previous communications.

The existence of a quasi-total control can be confirmed by the Securities and Exchange Commission upon request of the minority shareholders. Should that situation be proven, the agency shall notify it to the minority shareholders through any means it may deem appropriate, and thereafter, shall be entitled to exercise the right they are granted under the following section.

The provisions of this chapter are also applicable in an event of quasi-total control exercised in a shared or concerted manner between two (2) or more entities or between an entity and other natural or legal persons, although not being part of the same group or linked each other, provided the exercise of that common control avails of stability characteristics, and is so declared, undertaking joint liability among all them.

SECTION 93. *Rights of Minority Shareholders.*

After the controlling party has been formally requested to make a purchase offer to all minority shareholders, if the controlling party agrees to make said offer, said party may choose to make a public tender offer or use the statement of acquisition method regulated herein.

If the controlling party is a corporation whose shares are listed and said shares are subject to public offering in local or foreign markets authorized by the Securities and Exchange Commission, the controlling company, additionally to the cash offer, may offer to all

minority shareholders of the company under quasi-total control to choose to swap their shares for shares of the parent company. The controlling company shall propose the swap ratio based on the financial statements prepared pursuant to merger balance sheets. The swap ratio shall also be supported by the opinion of one (1) or more independent specialized evaluators. The requirements for minority shareholders to exercise their option shall be regulated by the Securities and Exchange Commission.

If the controlling party fails to make a public tender offer or a statement of acquisition within sixty (60) business days as from receiving the corresponding notice, the shareholder may request that their shares be declared acquired by the controlling party, and that the equitable price in cash of their shares be set by the competent court or arbitration court pursuant to the provisions set forth in Section 88, Subsection II), hereof and that the controlling party be ordered to pay said price.

In any of the cases set forth herein, including for all purposes set forth hereinabove, or for the purpose of challenging the price or the swap ratio, the procedural rules provided under Section 96 hereof shall apply, regardless of whether the case is treated in court or in an arbitration court.

(Section replaced by Section 76 of Law No. 27,440 - 5/11/2018)

SECTION 94. *Statement of Intent to Purchase the Total Amount of the Remaining Share Capital.*

The unilateral statement of intent to purchase the total amount of the remaining share capital held by third parties provided for in Section 91, Subsection b), hereof, called statement of acquisition, shall be decided by the administrative body of the controlling legal entity or executed in a public deed or instrument in the case of individuals. Said statement shall be valid provided that the acquisition includes all the outstanding stock, as well as all other securities convertible into shares that are held by third parties.

The statement of acquisition shall include the equitable price to be paid by the controlling party for each remaining share held by third parties pursuant to Section 88, Subsection II), hereof. Where appropriate, the statement of acquisition shall also include the equitable price to be paid for each security convertible into shares. Said equitable price shall be determined pursuant to the provisions set forth in Section 98, Subsection d), hereof. If the controlling party is a corporation and its shares are subject to trading, and if other conditions set forth in Section 93, second paragraph, hereof are met, it may offer minority shareholders the share swap option set forth therein, under the same conditions set forth therein.

Within five (5) business days as from the issuance of the statement, the controlling party shall notify the quasi-total controlled company of the statement of acquisition and shall submit the application for withdrawal of the public offer to the Securities and Exchange Commission and to the markets where its shares are listed.

The statement of acquisition, the value set and other conditions, including the name and address of the financial entity referred to in the following paragraph shall be advertised for

three (3) days in the Official Gazette of the market where the shares are listed, in the Official Gazette of the Argentine Republic, and in one (1) newspaper with the largest circulation in the Argentine Republic. Advertisements shall be immediate in accordance with the frequency of each media.

Within five (5) business days as from the authorization granted by the Securities and Exchange Commission, the controlling party shall deposit the total amount of the shares and other convertible securities included in the statement of acquisition in an account specifically open for such purposes in a financial entity in which the Sustainability Guarantee Fund of the Argentine Integrated Social Security System is allowed to invest under fixed-term deposits. In the case of swap offers, securities representing the shares accepted in swaps by minority shareholders who had expressed their intent to that effect shall be deposited in the accounts of entities approved by the Securities and Exchange Commission. The deposit shall be made together with a list of minority shareholders and, where appropriate, a list of holders of other convertible securities indicating their personal data and the number of shares and amounts and, if applicable, the corresponding swap shares for each one. The Securities and Exchange Commission shall devise ways and means to keep the list of financial entities authorized for the purposes of the aforementioned deposit updated and available to the public.

(Section replaced by Section 77 of Law No. 27,440 - 5/11/2018)

SECTION 95. *Effects of the statement of acquisition and disposition of funds.*

After the authorization by Securities and Exchange Commission was published for the last time, and recorded with the *Registro Público de Comercio* (Public Registry of Commerce), and after the relevant deposit, the statement of acquisition will be passed into a notarial public deed by the controlling person, which shall include:

- a) An statement by the controlling person that, through that act it is acquiring all shares held by minority shareholders and, where appropriate, all other convertible securities belonging to third parties; and also a reference to the resolution of the management board that resolved to issue the statement of acquisition, if applicable;
- b) The price per share and the price for every other convertible security;
- c) Data of deposit, including date, financial institution and account;
- d) Data of publications made;
- e) The registration data of the controlled company;
- f) The conformity data of the Securities and Exchange Commission, and the evidence of withdrawal by the company from the public offer of shares.

The public deed containing this statement shall be recorded with *Registro Público de Comercio*, and submitted to the Securities and Exchange Commission, and the market where the company shares were listed.

The controlling person under the public deed becomes as a matter of law, the owner of the shares and convertible securities. The controlled company shall cancel previous securities and issue new securities to the order of the controlling company, and shall register the change of ownership in the register of shareholders or in the register of book-entry shares, as applicable.

The statement of acquisition shall imply per se, and as a matter of law, the withdrawal of shares from the public offer after the date of the public deed.

The provisions under section 94, subsection 8 of Law No. 19,550 (codified text 1984) as amended, shall not be applicable to quasi-total control companies which were subject of the statement of acquisition ruled under this section.

Minority shareholders and, where appropriate, the holders of other convertible securities, from the date of crediting of the deposit referred to in the last paragraph of section 94, shall have the right to withdraw from the bank account funds to which they are entitled, plus interest that may have accrued on the relevant amounts.

The voluntary withdrawal of funds shall imply the acceptance of the equitable/fair price assigned by the controlling person the shares and other convertible securities.

SECTION 96. Challenge of the Equitable Price.

Within three (3) months as from the date of the last publication referred to under the second to last paragraph of Section 94 hereof, any minority shareholder and, where appropriate, any holder of any other convertible security may challenge the price assigned to the shares or convertible securities or, where applicable, the swap ratio proposed, arguing that the price assigned by the controlling party is not an equitable price.

In the case of mandatory public tender offers set forth in Sections 87, 91 and 98 hereof, minority shareholders may challenge the price as from the announcement of the offer and submission of the withdrawal request and until expiration of the challenging period set by the Securities and Exchange Commission pursuant to the regulations issued by this body for such purposes.

After said period expires, the valuation advertised in relation to minority shareholders who have not challenged the price shall be deemed final. This shall also be applied to holders of convertible securities who do not challenge said price.

The challenging proceeding does not change the full transfer of shares and convertible securities to the controlling entity, except in the case of offers set forth in Sections 87, 91 and 98 hereof, for which prior authorization by the Securities and Exchange Commission shall be obtained. During the challenging proceeding, all rights appertaining to the shares and convertible securities, whether equity and non-equity, belong to the controlling party.

Challenges may be made before the arbitration court of the market where the company has traded or before the ordinary commercial courts with jurisdiction in the company's principal place of business. All challenges made by minority shareholders and, where appropriate, by holders of other convertible securities, shall be made before the same court. The challenging proceeding shall be suspended until expiration of the period referred to in the first paragraph hereof or until an action for challenge is brought by all legitimate parties.

For such purposes, all shareholders or holders of other convertible securities that had not voluntarily withdrawn fund from the account mentioned in the last paragraph of Section 95 hereof shall be deemed legitimate.

The challenge, which shall only refer to the share price and, where appropriate, to other convertible securities, as well as to the swap ratio, where appropriate, shall be notified to the controlling party for a term of ten (10) business days. Evidence shall be provided with the foregoing notice and the answer thereto. The arbitration court or judge, where appropriate, shall appoint the number of expert appraisers it may deem appropriate, and after this has been notified for five (5) business days, the court shall issue judgment setting the final equitable price within fifteen (15) business days. Said judgment shall be subject to appeal within ten (10) business days, and the appeal shall be duly substantiated. Notice shall be served for the same term, and the court of appeal shall issue judgment within twenty (20) business days.

Attorneys' and expert witnesses' fees shall be determined by the court or arbitration court, where appropriate, in accordance with the scale applicable to incidental proceedings. The fees of attorneys and expert witnesses for each party or technical consultants shall be borne by the parties, respectively. The fees of the expert witnesses appointed by the court or arbitration court shall always be borne by the controlling party except when the equitable price sought by the appellant exceeds the price offered by the controlling party by thirty percent (30%), in which case the provisions set forth in Section 154, first paragraph, of Companies Law No. 19,550, revised text 1984, as amended, shall apply.

If applicable and within five (5) business days after judgment has been rendered final, the controlling party shall deposit in the account specified in the last paragraph of Section 95 hereof the amount of any price gaps identified. Delinquency thereof shall result in the controlling party being ordered to pay an interest as penalty equal to one and a half times the rate in force in commercial courts with jurisdiction in the company's principal place of business. If delinquency exceeds thirty (30) calendar days, all shareholders shall be entitled to declare that the sale of their securities has expired. In this case, the controlling party shall return the ownership of said shares and other rights to shareholders, and shall be liable for damages.

Minority shareholders and, where appropriate, holders of other convertible securities may withdraw the funds related to their shares or convertible securities as from the date said deposit has been made, plus any interest accrued.

(Section replaced by Section 78 of Law No. 27,440 5/11/2018)

CHAPTER IV

Withdrawal from Public Offer

SECTION 97. *Voluntary Withdrawal from the Public Offering System.*

If a company whose shares are admitted to public offering systems voluntarily withdraws from the latter, it shall follow the procedure established by the Securities and Exchange Commission and also carry out a public tender offer of its shares, subscription rights, bonds convertible into shares or options on shares under the terms set forth in the following section.

The acquisition of shares shall be made with net and earned profits or with unrestricted reserves, if fully paid-in, for their amortization or sale within the term provided under Section 221 of Companies Law No. 19,550, revised text 1984, as amended. The company shall prove to the Securities and Exchange Commission that it is solvent, and that the payment of shares does not affect its solvency. Failure to prove the above, and in the case of corporate control, the controlling company shall provide prove of such requirements being fulfilled pursuant to the obligation set forth herein.

(Section replaced by Section 79 of Law No. 27,440 5/11/2018)

SECTION 98: *Conditions.*

The mandatory public tender offer referred to hereinabove shall be subject to the following conditions:

- a) It shall extend to all bonds convertible into shares and other marketable securities entitling to a subscription or acquisition right.
- b) It shall not be necessary to extend the offer to those who voted in the meeting in favor of withdrawal, who shall tie-up their securities until the acceptance term determined by the corresponding regulations expires.
- c) Such circumstance shall be clearly stated in the public tender offer prospectus, and both tied-up marketable securities and the identity of their holders shall be detailed.
- d) To comply with all regulations on defining, notifying and challenging the equitable price and with all other provisions on the equitable price pursuant to Section 88 and other applicable sections hereof.

(Section replaced by Section 80 of Law No. 27,440 5/11/2018)

CHAPTER V

Transparency regulation

TITLE I

Information systems

SECTION 99. *General Reporting System.*

- I. General Reporting System. The parties mentioned herein below shall directly, accurately, sufficiently and timely inform the Securities and Exchange Commission, in the manner and pursuant to the terms set forth by said body, of all the following events and circumstances, notwithstanding any other set forth by the corresponding regulations:
- a) Administrators of registered entities performing public offering of marketable securities and the members of their supervisory body, the latter in terms of their competence, shall inform of any event or circumstance that, due to its importance, may materially affect the placement of marketable securities or their trading. This obligation shall exist as from the time the request for public offering of marketable securities is filed and shall be immediately notified to the Securities and Exchange Commission. The administrative body, with the intervention of the supervisory body, shall appoint one (1) person to act as a market relations officer in order to disclose the information referred to herein, and shall inform of such appointment to the Securities and Exchange Commission and the respective market. Said appointment shall not release the parties mentioned hereinabove from their obligations as set forth herein.
 - b) Intermediaries authorized to carry out public offerings shall inform of any unusual event or circumstance that, due to its importance, may affect their business activities, their responsibility or their investment decisions.
 - c) Directors, administrators, receivers, managers appointed in accordance with Section 270 of Companies Law No. 19,550, revised text, 1984, as amended, and members of the supervisory board, regular and alternates, as well as controlling shareholders of issuing entities making public offerings of their marketable securities, shall inform of the number and class of shares, debt securities convertible into shares and purchase or sale options on both kinds of marketable securities owned from the entity to which they are linked.
 - d) The qualification board members, directors, administrators, managers, receivers or members of the supervisory board, regular and substitutes, and of risk rating agencies, on the amount and class of shares, debt securities or purchase or sale options on shares owned from companies authorized to make public offerings of their marketable securities.
 - e) Directors and officers of the Securities and Exchange Commission, of markets, clearing houses, registries and other registered intermediaries shall inform on the number and class of shares, debt securities and purchase or sale options on shares owned from companies authorized to make public offerings of their marketable securities.
 - f) All individuals or legal entities that, directly or through other individuals or legal entities, or all parties of any group that, through concerted action, acquire or sell shares of a company making public offerings of marketable securities in quantities involving a change in holdings that make up control groups and affecting their creation, shall inform of said transaction or series of transactions made through concerted action, notwithstanding, where applicable, the enforcement of the procedure provided for in Chapter II hereof.

- g) All individuals or legal entities not covered by the transaction set forth in the previous subsection that, directly or through other individuals or legal entities, or all parties of any group that, through concerted action, acquire or sell by any means shares of an issuer whose share capital is covered under the public offering system granting at least five percent (5%) of votes that may be cast for the purpose of expressing the corporate will at the General Shareholders' Meetings shall inform of such transactions when the abovementioned limit is exceeded.
- h) Any individual or legal entity entering into shareholders' agreements for the purposes of exercising voting rights in a company whose shares are admitted to public offering, or the controlling company thereof, regardless of its type, including, without limitation, agreements creating the obligation of obtaining prior authorization to vote, restricting the transfer of the corresponding shares or marketable securities, granting purchase or subscription rights therefor, or providing for the purchase of such marketable securities, generally for the purpose of jointly exercising control in such companies, or significant changes in the structure or in power relations in the administration of said companies, shall inform of such agreements or changes. Directors, administrators, receivers and members of the supervisory board, as well as controlling shareholders of said companies shall be equally liable to inform of the execution of said agreements if they are parties thereto, or if they become aware of such agreements. Said agreements shall be submitted to the Securities and Exchange Commission. Compliance with the reporting and submission of these agreements to the Securities and Exchange Commission does not mean acknowledging the validity thereof. Failure to comply with the reporting obligation shall render said agreements invalid.

II. Scope of the Reporting Obligation. In the events referred to in Subsections c), d) and e) hereof, the scope of the reporting obligation shall include both holdings owned by said parties as well as any holdings directly or indirectly managed of said companies, its controlling companies, controlled companies or any companies related thereto.

The reporting obligation shall be valid during the term for which they were appointed and, in the case of the parties referred to in Subsections c), d) and e) hereof, for six (6) months after effective termination of their duties.

For the purposes hereof, any statement made by said parties to the Securities and Exchange Commission shall be deemed an affidavit.

(Section replaced by Section 81 of Law No. 27,440 5/11/2018)

SECTION 100. *Information system for markets.*

The persons mentioned in subsections a), b), c), f), g) and h) of the preceding section shall address similar communications simultaneously, except in the event provided in the following paragraph, to those markets in which the authorized agents or such securities are qualified. Markets should immediately publish the communications received in their newsletters or other means to ensure their wide dissemination.

In the event of negotiable securities not traded in the markets, the communication shall be deemed to be met when advertised in one (1) newspaper of wide national circulation.

TITLE II

Reserve

SECTION 101. *Exemptions to the general reporting system.*

The *Securities and Exchange Commission* shall establish the conditions under which, upon a party's request, by a reasoned decision and for a specific period, the obligation to inform the public may be suspended about certain facts and background included in subsections a), b) and h) of section 99 which are not in the public domain and whose disclosure could affect the public interest. The exemption /waiver referred to in subsection h) of that section may be indefinite in the case of issues which in the Securities and Exchange Commission opinion only concern agreements involving private interests of the parties.

SECTION 102. *Confidentiality duty.*

The directors, administrators, managers, trustees, members of the supervisory board, controlling shareholders and professionals involved in any entity authorized for public offer of securities or person making a tender offer or exchange of securities in respect of an entity authorized to public offer and the agents, according to the appropriate category and, in general, any person who by reason of his position or activity is informed about a fact not yet publicly disclosed and whose importance can jeopardize the placement or course of the trading to be made with negotiable securities under an authorized public offer, shall maintain strict confidentiality and refrain from trading until such information is made public.

Public officials and those directors, officers and employees of risk rating agents, of public or private control agencies, including the Securities and Exchange Commission, markets and collective depository agents and any other person that because of its tasks has access to similar information, must keep the same strict confidentiality.

The duty of confidentiality extends to all those who for temporary or accidental relationship with the company or with the persons mentioned above could have accessed the information described therein; likewise to subordinates and others who by the nature of their duties have had access to the information.

SECTION 103. *Duty to cooperate.*

Any person subject to an investigation must provide the Securities and Exchange Commission the information it may require.

Uncooperativeness and other reiterated reluctant conduct observed during the procedure may be deemed evidence corroborating some other existing to decide the opening of an investigation, and a subsequent final resolution. The person under investigation must have

been previously notified by personal or otherwise formal notification, addressed to his/her real domicile of residence or domicile of choice, informing about the effect that can be attributed to the failure or reluctance in reporting obligations imposed by this section.

TITLE III

External auditors

SECTION 104. *External auditors.*

The financial statements of companies making public offer of its securities, closing as of the date determined by the Securities and Exchange Commission, may only be audited by accountants who have previously filed an affidavit informing any criminal, administrative or professional penalties that could have been imposed on them, except those of a professional order that could have been classified as private by the acting professional association. This information must be kept currently updated by stakeholders and will be accessible to the public through the procedures that the Securities and Exchange Commission may determine through regulation. The misrepresentation or omission of this information or its relevant updates will be considered a gross negligence.

SECTION 105. *Appointment of External Auditors.*

Shareholders at the General Meeting, upon approval of financial statements, shall appoint independent certified public accountants pursuant to the regulations set forth by the Securities and Exchange Commission in order to perform as external auditors in the new fiscal year. The meeting shall revoke the proposed appointment upon an adequately substantiated reason. The appointment or the revocation thereof shall take place at the proposal of the administrative body, prior opinion of the Audit Committee.

In the case of Small and Medium-Sized Enterprises, as defined herein pursuant to the regulations of the Securities and Exchange Commission, with no Audit Committee, prior opinion of the supervisory body shall be required.

(Section replaced by Section 82 of Law No. 27,440 5/11/2018)

SECTION 106. *Control over External Auditors.*

The Securities and Exchange Commission shall control the activity and independence of external auditors and of professional associations of external auditors that supervise companies making public offerings of their marketable securities and of any other party of the capital market subject to its control, notwithstanding the competence of professional councils regarding supervision of the professional performance of its members.

(Section replaced by Section 83 of Law No. 27,440 5/11/2018)

SECTION 107. *System to Report Penalties.*

Professional Councils of Economic Sciences shall immediately inform to the Securities and Exchange Commission of the penalties imposed on certified public accountants performing auditing duties in relation to financial statements of parties subject to control of the Securities and Exchange Commission.

(Section replaced by Section 84 of Law No. 27,440 5/11/2018)

SECTION 108. Powers to the Supervisor of the External Auditors.

For the purposes of carrying out its duties, the Securities and Exchange Commission shall have the following powers:

- a) Keep a record of external auditors and professional associations of auditors that audit the financial statements of the entities subject to their control.
- b) Set forth regulations on auditing and requests for review to be complied with by external auditors.
- c) Set forth the quality control standards and independence criteria to be followed by external auditors and professional associations of external auditors.
- d) Organize a system to supervise the quality control of external audits of entities making public offering of their marketable securities.
- e) Request external auditors of all entities subject to control by the Securities and Exchange Commission, professional associations of auditors and professional councils to communicate, regularly or occasionally, all data and information relating to acts or events regarding their performance in said audits, to conduct inspections and to request clarifications.
- f) In cases where the rights of minority shareholders may be affected and upon an adequately substantiated request by shareholders representing a percentage of at least five percent (5%) of the share capital of a company making public offerings of its shares, the Securities and Exchange Commission may, upon the opinion of the company's supervisory body and audit committee and provided that there is likelihood of the alleged damage to shareholders, request the appointment of one (1) external auditor proposed by said bodies to carry out one (1) or several specific tasks or tasks within a specific time period, at the expense of those requesting it.
- g) Impose penalties on external auditors pursuant to the provisions of Sections 132 *et seq.* hereof.

(Section replaced by Section 85 of Law No. 27,440 5/11/2018)

TITLE IV

Audit Committee

SECTION 109. Composition.

Companies making public offering of their shares shall establish an Audit Committee consisting of three (3) or more members of the board of directors to work jointly, and the majority thereof shall necessarily be independent, according to the criteria set forth by the

Securities and Exchange Commission. These criteria shall determine that, in order to be qualified as independent, directors shall be independent towards the company and towards controlling shareholders, and shall not perform executive duties in the company.

The Audit Committee may operate with members present or by holding remote meetings with the use of equipment allowing for simultaneous transmission of sound, images and words when so provided in the bylaws. Only the committee's members present shall be counted for the purposes of quorum unless otherwise provided in the bylaws. The bylaws shall set forth the manner in which participation of remote members shall be recorded in the minutes. In the case of remote meetings of the Audit Committee, the minutes shall be prepared and signed by the members present and the representative of the supervisory body within five (5) business days after the date on which the meeting was held.

(Section replaced by Section 86 of Law No. 27,440 - 5/11/2018)

SECTION 110. Duties.

The duties of the audit committee include:

a) to issue an opinion on the proposal of the board for the appointment of external auditors hired by the company, and ensure its independence;

b) to supervise the operation of the internal control systems and the administrative and accounting system, and the reliability of the latter and of all financial information or other substantial events to be submitted to the Securities and Exchange Commission, and the markets in compliance the applicable reporting system;

c) to monitor the implementation of policies regarding information on the company's risk management;

d) to provide the market with complete information regarding transactions whenever there is a conflict of interest with members of the corporate bodies or controlling shareholders;

e) to issue an opinion on the reasonableness of the proposals on fees and stock option plans for directors and managers of the company prepared by the management board;

f) to issue an opinion on the compliance with legal requirements and the reasonableness of the terms of issue of shares or securities convertible into shares, in the event of an increase in capital excluding or limiting the preemptive right;

g) to verify compliance with the standards of conduct that are applicable;

h) to issue an informed opinion based on transactions with related parties in the cases established by this law. To issue an informed opinion and communicate it to the markets as determined by the Securities and Exchange Commission whenever there is a conflict of interest or an alleged conflict of interest in the company.

Annually, the audit committee shall develop an action plan for the year which will be reported to the board and the supervisory body. The directors, members of the supervisory body, managers and external auditors will be required, at the request of the audit committee, to attend its meetings and to provide them cooperation and access to information at their disposal. To ensure better compliance with the powers and duties herein provided the committee may seek the advice of counsel and other independent professionals and hire their services on behalf of the company within the budget which could be approved by the shareholders' meeting to that end. The audit committee will have access to all information and documentation as it may deem necessary to fulfill its obligations.

Small and medium-sized enterprises may be exempted generally by the Securities and Exchange Commission from the establishment of an audit committee as provided in this section.

TITLE V

Advertising

SECTION 111. *Transactions.*

Markets shall, on a daily basis, make the record of each transaction publicly available, including the type of transaction, the identity of the marketable security and the amount, price and time of record of each transaction. Markets shall have this same information available in real time. The Securities and Exchange Commission shall issue regulations for the purposes provided for herein.

(Section replaced by Section 87 of Law No. 27,440 - 5/11/2018)

SECTION 112. *Misleading advertising.*

Advertising, propaganda and dissemination through any means made by the issuer companies, markets, agents and any other person or entity involved in an issue, placement and trading of securities may not include statements, references, names, phrases or descriptions which could result misleading, deceptive, or confusing to the public about the nature, price, yield, redemption, liquidity, guarantee or any other characteristic of securities, their issuers or services offered.

SECTION 113. *Denominations leading to confusion.*

Denominations used hereunder to characterize the entities and their transactions may only be used by authorized entities.

No other similar, derived or doubtful denominations may be used about their nature or individuality.

SECTION 114. *Powers of Securities and Exchange Commission.*

The Securities and Exchange Commission may order the persons referred to in section 112 of this law the preventive cease of advertising or the use of names or expressions or other references that could be misleading, deceptive or confusing to the public without prejudice of other penalties that may correspond.

SECTION 115. *Scope.*

The provisions included in this section are applicable to all advertising commissioned by the issuer, the registered agents or any other natural person or legal entity regardless of the means chosen for publication.

However, such provisions shall not be applicable to editors' notes, sections, articles or any other journalistic collaboration.

SECTION 116. *Sanctionable conducts.*

Persons in the field of public offer, disseminating false news through any of the means set forth in the definition of public offer under section 2 of this law, even if not intending thereby advantages or benefits for themselves or others, or damage to third parties, including the issuer, provided they have acted with willful misconduct or gross negligence, will be subject to sanction.

CHAPTER VI

Actions and sanctions for conducts contrary to transparency

TITLE I

Conducts contrary to transparency

SECTION 117.

a) *Abuse of insider information.* The directors, supervisory board members, shareholders, shareholder representatives and anyone who by their work, profession or duties within an issuer company or registered entity, per se or through an intermediary, as well as public officials and those managers, officers and employees of risk rating agents, and of public or private control agencies, including Securities and Exchange Commission, markets and deposit agents, and any other person who, by reason of their duties have access to similar information, may not rely on any non-public or insider information to obtain, for himself or for others, benefits of any kind, resultant both from the purchase or sale of securities or any other transaction relating to the public offer regime.

These provisions shall also apply to those persons referred to under section 35 of Law No. 24,083, as amended. In these cases, the positive price differential obtained by those who have unduly availed of insider information resultant from any trading operation made within a six (6) month period, relating any securities of issuers with whom they are related to, shall be deemed for, and be recoverable by the issuer without prejudice to the penalties that may

correspond to the offender. If the issuer fails to initiate the appropriate action or to act consequently within sixty (60) days of being notified to do so, or if it will not drive the action diligently after notification, those actions may be performed by any shareholder;

b) *Manipulation and deceiving.* Issuers, registered agents, investors or any other operator or participant in the authorized market, shall refrain from acting, either directly per se or through an intermediary, in initial offers or secondary markets, practices or conducts intending to allow manipulation of prices or volumes of securities, thus disrupting the normal development of supply and demand. Likewise, such persons should refrain from engaging in deceptive practices or conducts likely to deceive any participant in these markets, in connection with the purchase or sale of any securities in the public offer, either through the use of devices, misrepresentations or inaccuracies or omitting essential facts or through any act, practice or course of action that may have misleading and harmful effects on any person in the market.

In order to determine the sanction of those behaviors as described, the Securities and Exchange Commission shall regard as an aggravating circumstance if the conduct sanctioned was that of a controlling shareholder, administrators, managers, trustees of all persons subject to the supervision of the Securities and Exchange Commission or officers of the supervisory bodies;

c) *Prohibition to participate or tender in the public offer in an unauthorized manner.* Any natural or legal person involved, offering itself or offering services in the public offer of securities without proper authorization of the Securities and Exchange Commission, shall be subject to administrative sanctions without prejudice to the criminal penalties that could apply.

SECTION 118. *Action for recovery.*

The action for recovery is limited to three (3) years, may be promoted by any shareholder subject to the rules governing the subrogation action and will be combined with that of liability under section 276 of the Companies' Law No. 19,550 (codified text 1984) as amended, without requiring a prior shareholders' meeting resolution.

TITLE II

Offering Memorandum or Prospectus

SECTION 119. - *Directly responsible.*

Issuers of securities, together with the members of the management and supervisory bodies, the latter in matters under their jurisdiction, and where appropriate the bidders of the securities regarding the information linked to them, and people who sign the offering memorandum for the securities shall be liable for all information contained in the prospectus they have registered with the Securities and Exchange Commission.

SECTION 120. *Indirectly responsible.*

Institutions and brokers participating in the market as organizers or underwriters in a public offer or purchase of securities should diligently review the information contained in the offering memorandum. Experts or others that give an opinion about certain parts of the prospectus are only liable for the part of the information on which they have expressed an opinion.

SECTION 121. *Legitimization and burden of proof.*

Buyers or purchasers of any kind of securities under public offer, offered by the respective prospectus shall avail of legitimacy to sue, and must prove to that end the existence of an error or omission in an essential aspect of the information regarding the offer. In this respect, essential information shall mean any information that an ordinary investor could have appreciated as relevant to decide the purchase or sale of the securities offered.

Upon determination of the essential error or omission unless the issuer or the offeror proves the contrary, a causal link is presumed between the error or omission and the damage generated, except that the defendant proves that the investor was aware of the defectiveness of information.

SECTION 122. – *Compensation.*

The amount of compensation may not exceed the loss caused to investors referred to the shortage between the purchase or sale price fixed in the prospectus and actually paid or received by the investor, and the price of the relevant security at the time of presentation of the respective demand or, if applicable, the price of disposal by the investor if it is earlier than that date.

The limitation established in the preceding paragraph shall not preclude the application of the penalties provided for in Section 46 of Law No. 25,156.

SECTION 123. *Several liability.*

Liability among offenders shall be assumed as several liability. The contribution or participation regime or scheme among offenders, provided there has not been willful misconduct shall be determined taking into account the individual performance of each of them and the degree of access to the erroneous or omitted information.

SECTION 124. *Prescription.*

The action for damages governed by this section shall lapse three (3) years after the error or omission under that prospectus is warned by the actor.

TITLE III

Claim of infringement

SECTION 125. *Responsibility.*

Without prejudice to the provisions of the preceding sections, any person operating in an authorized market in violation of the duties imposed by this part, shall be liable for the damage caused to all those who contemporaneously with the purchase or sale of securities subject of such infringement, have purchased or sold provided the infringement is based, as appropriate, in the sale or purchase of such instruments or have suffered an impairment of any right, income or interest as a result of, or under violation of the aforementioned duties.

SECTION 126. *Compensation.*

The compensation shall not exceed the positive price differential gained or loss avoided in the transaction or transactions subject of the violation, provided none of the conducts or behaviors described in sections 307 through 310 of the Argentine Criminal Code occurs.

SECTION 127. *Prescription.*

The action shall prescribe at the end of three (3) years.

SECTION 128. *Nullity.*

The transactions motivating compensation actions provided for hereunder, shall not be voidable.

CHAPTER VII

Legal status of securities entered in an account or in book-entry form.

SECTION 129. *Legal system.*

Without prejudice to the special provisions applicable to each security or contemplated under the documents of the issue to the securities entered in an account or in book-entry form, the following legal framework shall apply to them :

a) The creation, issue, transfer or establishment of security interests, liens, injunctions and any other restraining of the rights conferred by the security shall be made through entries in special registers to be carried out by the issuer itself, or acting on its behalf, by authorized collective depositories or commercial banks or investment banks or designated registrars, and shall have legal effect and be effective against third parties from the date of such registration;

b) The authorized entity to carry out the registration of securities shall grant the holder proof of its account opening and of any movement recorded therein. Each holder is entitled to receive, at all times, a record of its balance of account at its own expense. The relevant vouchers must indicate date, time of dispatch and the number of voucher; the species, quantity and issuer of the securities and any other identification data for the issue; complete identification of the owner, security interests and the precautionary measures imposed on the

securities, and the proof of issuance of vouchers on account balances and its modalities, indicating the date of issue and the expiration date;

c) The issue of a proof of account balance for the purpose of handover of securities or imposition of security interests thereon shall imply blocking of the relevant account for a period of ten (10) business days;

d) The issue of a proof of account balance to attend to meetings or exercise voting rights shall imply blocking of the relevant account until the date next following that fixed for the meeting concerned. If the meeting was adjourned or should meet at another time, it will require the issuance of new vouchers, but these shall only be issued in the name of the same people who were legitimized by the issuance of the original vouchers;

e) Proof of account balance may be issued to legitimize the holder to claim at judiciary or arbitral court where appropriate, including through executive action if appropriate, submit requests for verification of claims or participate in universal processes for which such proof shall be sufficient title, without authentication or other requirement.

The issue shall imply blocking of the respective account, only to register acts of disposal by the owner, for a thirty (30) business day period unless the owner returns the proof or an order extending the blockade by the judge or arbitral court before which the voucher would have been invoked is received within that period.

The vouchers shall mention these circumstances.

SECTION 130. *Effects on third parties.*

The third party purchaser for value consideration of securities entered in an account or in book-entry form, that according to the entries of the relevant record, is entitled to transfer them is not subject to claim except that had acted in bad faith or willful misconduct at the time of the purchase.

SECTION 131. *Global Certificates.*

A voucher may be issued for securities represented in global certificates in favor of persons having an interest therein, for the purposes and to the extent specified in subsection e) of section 129. The account lockout shall only affect those securities covered by the voucher/proof. Vouchers will be issued by the entity within or outside the country administering the collective deposit system in which the global certificates are registered. Whenever entities administering collective deposit systems have interests in global certificates registered with collective deposit systems administered by another entity, the vouchers may be issued directly by the former. The trustee, if any, in the event of global debt certificates will avail of the legitimacy referred to in subsection e) with the mere accreditation of its appointment.

PART IV

Penalties and administrative proceedings

CHAPTER I

Penalties

SECTION 132. *Penalties.*

- I. Applicable Penalties. If individuals or legal entities of any nature violate the provisions hereunder and the corresponding regulations, notwithstanding any criminal or civil liability in which they may incur, they shall be subject to the following penalties:
 - a) Warning, which may be accompanied by the obligation to publish the provisions of said resolution in the Official Gazette of the Argentine Republic, and in up to two (2) national newspapers at the expense of the punished party.
 - b) A fine from one hundred thousand Argentine pesos (ARS 100,000) to one hundred million Argentine pesos (ARS 100,000,000), which could be raised to five times the profit gained or damage caused as a result of illegal actions, whichever is greater.
 - c) Disqualification up to five (5) years to perform duties as director, administrator, receiver, member of the supervisory board, auditor or external auditor or manager of authorized markets and of registered intermediaries or of any other entity under the control of the Securities and Exchange Commission.
 - d) Suspension up to two (2) years to make a public offering or, where appropriate, of the authorization to participate in public offerings. As regards mutual funds, only regular administrative acts and requests for redemption of shares may be performed, for which purpose, they may sell the portfolio assets under control of the Securities and Exchange Commission.
 - e) Prohibition to make public offerings of marketable securities or, where appropriate, of the authorization to participate in public offerings of marketable securities.

II. Earnings from Fines.

Fines shall be paid by the corresponding parties within five (5) days after the date on which the decision imposing them is rendered final in the administrative and/or judicial proceeding, as appropriate. Earnings coming from fines applied by the Securities and Exchange Commission shall be transferred to the Argentine Treasury.

(Section replaced by Section 88 of Law No. 27,440 - 5/11/2018)

SECTION 133. *Criteria for Setting Penalties.*

For the purposes of setting the aforementioned penalties, the Securities and Exchange Commission shall take into special account the following criteria: the extent of the infringement, the benefits obtained or damages caused by the offender, the offender's operating volume, the individual performance of the members of the administrative and supervisory bodies, and their relation to the control group, especially, the independent or

external nature of the members of said bodies. In the case of legal entities, directors, administrators, receivers or members of the Supervisory Board and, where appropriate, managers and members of the Qualification Board shall be jointly and severally liable regarding those who have been individually liable for committing said punishable offences.

(Section replaced by Section 89 of Law No. 27,440 - 5/11/2018)

SECTION 134. *Interest on Fines.*

Unpaid fines shall accrue interest at the rate set by the Ministry of Finance, which shall not exceed one and a half times the interest imposed by *Banco de la Nación Argentina* – Argentine National Bank, a self-sufficient entity acting under the scope of said Ministry, in commercial documents discount operations.

(Section replaced by Section 90 of Law No. 27,440 - 5/11/2018)

SECTION 135. *Prescription.*

Actions resulting from infringements to the provisions hereof and of Law No. 24,083 shall prescribe six (6) years after the offence has been committed. This term shall be suspended by decision of the Board of Directors of the Securities and Exchange Commission ordering that administrative proceedings be initiated and by the acts and proceedings related to the hearing, such as the opening and closing of discovery proceedings and the call for pleadings with their respective notices. Fines shall prescribe three (3) years after said penalty has been notified or after said penalty has become final, if challenged.

(Section replaced by Section 91 of Law No. 27,440 - 5/11/2018)

CHAPTER II

Expedited proceeding

SECTION 136. *Minimum guarantees.*

The penalties provided for in this part shall be applied by the board of the Securities and Exchange Commission, through an adequately substantiated resolution, after a summary proceeding substantiated through the procedure that Securities and Exchange Commission may establish.

The administrative procedural principles and rules shall be of further application, and all proceedings shall be safeguarded under the transcript of the oral hearing records, for any possible review on appeal.

SECTION 137. *Prejudiciality (Preliminary judgment).*

The existence of cases to be heard in a criminal court regarding conducts described in this law, that could led also to convictions under such legislation shall not prevent the

prosecution and completion of the processing of the respective case files in the Securities and Exchange Commission.

SECTION 138. *Proceedings.*

The case shall be heard by another office of the Securities and Exchange Commission, separate and independent from the one bringing the charges. After the examining office has heard the case, it shall submit it to the board of directors together with its recommendations for treating it and issuing a resolution thereon. Resolutions issued by the Securities and Exchange Commission ordering administrative proceedings and those issued during the hearings shall not be appealable, but they may be challenged in the event of appealing the final decision.

After charges have been brought and prior to the opening of administrative proceedings, a preliminary hearing shall be held to hear the parties charged and for the purposes of determining the facts, and to all effects related to the concentration, procedural economy and immediacy principles.

(Section replaced by Section 92 of Law No. 27,440 - 5/11/2018)

SECTION 139. *Complainant.*

If proceedings are initiated by complaint before the Securities and Exchange Commission, the complainant shall not be deemed part of the procedure, and may not have access to the proceedings.

Complaints shall be made pursuant to the procedures set forth by the Securities and Exchange Commission.

The aforementioned board of directors may, prior resolution by the corresponding bodies, dismiss said complaint if, as a result of the complaint filed or the preliminary proceedings carried out, the facts do not fall within the infringements set forth herein or in the applicable regulations.

(Section replaced by Section 93 of Law No. 27,440 - 5/11/2018)

SECTION 140. *Abbreviated Proceedings.*

At the time of ordering the start of administrative proceedings, the Securities and Exchange Commission may order that all parties involved in the corresponding case personally appear in the preliminary hearing set forth in Section 138 hereof to require all explanations it may deem necessary, and even to discuss any conflicts arising from the facts. Said preliminary hearing shall be recorded in a minute. The notice of summons shall specifically state the purpose of the appearance. If facts were admitted and all parties involved in said unlawful behavior and their liability were expressly acknowledged, the Securities and Exchange Commission may order the termination of the proceedings and the application of the corresponding penalties without further action.

(Section replaced by Section 94 of Law No. 27,440 - 5/11/2018)

CHAPTER III

Systemic risk situations

SECTION 141. *Systemic risk.*

Whenever it is reasonably noticed the existence of systemic risk situations, or of other very serious danger situations, the Securities and Exchange Commission may preventively suspend the public offer or dealing in securities, other financial instruments and the performance of any act under its supervision until supervening events make it advisable to review the action.

Such action may also be taken at the start of the investigation or at any stage of the proceedings.

SECTION 142. *Suspension.*

The public offering of securities or of other financial instruments or transactions may be suspended temporarily by the Securities and Exchange Commission pending the dissemination of relevant information or whenever extraordinary circumstances arise that make it advisable, until the causes that led to its adoption have disappeared.

PART V

Lawsuits

CHAPTER I

Venue

SECTION 143. *Appeals. Jurisdiction.*

I. Direct Appeals. Commercial Federal Court of Appeals shall:

- a) Review all penalties imposed by the Securities and Exchange Commission, as well as all statements of irregularity and inefficiency for administrative purposes and the suspension or revocation of registrations or authorizations.
- b) Review the denial of registrations and authorizations.

(Section replaced by Section 95 of Law No. 27,440 - 5/11/2018)

SECTION 144. *Courts. Jurisdiction.*

I. Courts. Commercial federal courts of first instance shall hear and decide on:

- a) The enforcement of audit fees, licensing fees and fines imposed by the Securities and Exchange Commission.
- b) Requests for search warrants by the Securities and Exchange Commission to perform its supervisory duties.
- c) All other requests for judicial assistance for the enforcement of its decisions.
- d) Requests for appointment of receivers made by the Securities and Exchange Commission, which shall comply with the provisions set forth by Companies Law No. 19,550, revised text 1984, as amended.

(Section replaced by Section 96 of Law No. 27,440 - 5/11/2018)

CHAPTER II

Challenging of acts of the Securities and Exchange Commission

SECTION 145. *Appeal of Penalties.*

Direct actions set forth in Subsection I), Paragraph a), of Section 143 shall be filed and substantiated before the Securities and Exchange Commission within ten (10) business days after notice of the appealed decision has been served.

The appeal shall be filed and substantiated in writing before the Securities and Exchange Commission within ten (10) business days after notice of the decision has been served and said appeal shall be granted without a stay of execution, except for the appeal against the fine imposed which shall be with a stay of execution. The Securities and Exchange Commission shall forward the proceedings to the appropriate commercial federal court of appeals, which in turn shall follow the procedure set forth in the Argentine Code of Civil and Commercial Procedure for appeals freely granted.

The Securities and Exchange Commission shall be the opposing party in the appeal and the Attorney General's Office shall act as prosecutor.

(Section replaced by Section 97 of Law No. 27,440 - 5/11/2018)

SECTION 146. *Refusal of Registration*

Direct recourses contemplated under subsection b) of section 143, shall be filed and adequately substantiated before the Securities and Exchange Commission within thirty (30) business days of notification of the refusal of the registration requested.

The Securities and Exchange Commission shall grant the recourse, and shall forward the proceedings to the appropriate Chamber, within twenty (20) business days of receipt of the appeal, along with its answer, and the court shall decide upon intervention of the Prosecutor's Office.

CHAPTER III

Enforcement of control rates, authorization fees, and penalties

SECTION 147. *Applicable procedure.*

The enforcement of control rates, penalties and authorization fees shall be processed under provisions of the tax execution procedure in Sections 604 and 605 in the Argentine Civil and Commercial Procedure Code.

SECTION 148. *Executive title.*

An evidence of debt of the relevant tariff, duties or penalties due and payable, signed by a director of the Securities and Exchange Commission, or the officer whom may be empowered to that end, including the debtor's name, amount and items due, and the maturity date of the obligation shall be deemed the executive title.

SECTION 149. *Interest.*

Since filing of the demand, the claimed credit shall bear interest at the rate determined by the Ministry of Finance, which shall not exceed two and a half times the interest applied by *Banco de la Nacion Argentina* – Argentine National Bank in its discount operations for business documents.

CHAPTER IV

Search and other restraining actions

SECTION 150. *Assumptions.*

The Securities and Exchange Commission shall indicate in the requests for search warrants, the documentation or information that is intended to be seized, and shall credit briefly its connection with duties of its own , as well as the documentation or information that allegedly would be found, or should be found in the site intended to be searched.

SECTION 151. *Non-contentious.*

The search warrant shall be issued without prior hearing of the person concerned and may not be appealed, nor its compliance will be suspended for any incident or issue the person may file, which will be rejected without further proceedings. Notwithstanding, the right to promote the repair for damages caused to the person by the illegitimacy of the action or by any excesses incurred at the time of its enforcement will be safe.

SECTION 152. *Other restraining actions.*

The other restraining actions that could be required by the Securities and Exchange Commission will be dispatched at its own risk and subject to prior summary declaration about necessity and legality, and the proceeding shall be subject to the non-contentious system provided under the above section.

SUPPLEMENTARY PART

Final provisions

SECTION 153. *Advance payments for legal defense.*

In civil or criminal proceedings against officers of the Securities and Exchange Commission for acts or omissions in the exercise of their duties, said body or the national State shall advance all reasonable costs related to the legal defense of the officer subject to the final judgment on the legal action. Whenever an officer is deemed responsible under final judgment, said officer shall refund all advance payments received plus all corresponding interest thereon. The Securities and Exchange Commission shall regulate the proceeding set forth herein.

“Officer” shall mean board members and other staff of the Securities and Exchange Commission.

(Section replaced by Section 98 of Law No. 27,440 - 5/11/2018)

SECTION 154. *Repealing.*

Law No. 17,811; Section 80 of Law No. 11,672, the budget standing supplementary law (codified text 2005); the decrees 656 dated April 23, 1992; 749 dated August 29, 2000; 677 dated May 22, 2001, and 476 dated April 20, 2004; sections 80 through 84 of Decree 2284 dated October 31, 1991, and any other rules contrary to this law, are hereby repealed.

SECTION 155. *Validity.*

This law shall become effective thirty (30) days calendar days from its publication in the Official Gazette, except those provisions subject to regulation by the Securities and Exchange Commission.

The regulations shall be issued by the Securities and Exchange Commission within one hundred eighty (180) calendar days from the effective date of this law.

Such regulations shall provide the rules and schedules suitable for different entities, exchanges and intermediary agents.

SECTION 156.

Under no circumstances lay-offs may occur as result of provisions under this law.

SECTION 157.

Be it communicated to the National Executive.

PASSED IN THE SESSION ROOM OF THE ARGENTINE CONGRESS, IN BUENOS AIRES, ON THIS TWENTY-NINTH DAY OF NOVEMBER TWO THOUSAND AND TWELVE.

Registered under No. 26,831

BEATRIZ ROJKES DE ALPEROVICH. — JULIAN A. DOMINGUEZ. — Gervasio Bozzano. — Juan H. Estrada

(NOTE: By Law No. 27,440, Section 218 it is established that in the text of the present Law; whenever reference is made to the term "person of visible existence" or "natural person" it should read "human person" and where it says "Ministry of Economy", "Ministry of Economy and Production" or "Ministry of Economy and Public Finance" should read "Ministry of Finance")
