

Corporate Governance Explanatory Report

Banco Macro S.A.

Revised as of February 2018



	Compliance		Non-Compliance ⁽¹⁾	Notify ⁽²⁾ or Explain ⁽³⁾
	Total ⁽¹⁾	Partial ⁽¹⁾		
PRINCIPLE I. TRANSPARENT THE RELATIONSHIP BETWEEN ISSUER, THE ECONOMIC GRUOP ISSUER LEADS AND/OR INTEGRATES AND ITS RELATED PARTIES				
Recommendation I.1: Ensure the disclosure by the Management of policies applicable to the relationship of Issuer with the economic group Issuer leads and/or integrates and with its related parties.				
Answer if:				
<p>Issuer has an internal rule or policy of authorization of transactions between related parties in compliance with section 73 of Law 17811, transactions performed with shareholders and members of the Management Body, Senior managers and auditors and/or members of the supervisory committee, within the scope of the economic group Issuer leads and/or integrates.</p> <p>Explain the main guidelines of the internal rule or policy</p>	x			<p>The Bank has adopted a procedure to comply with the provisions of Capital Markets Law N° 26.831 and the CNV Regulations (RG 622/13), as to treatment by the Audit Committee of the transactions with related parties involving a significant amount.</p> <p>This procedure includes requesting the Audit Committee its opinion with respect to the transactions meeting the conditions set forth in the above mentioned law for acts and contracts involving a significant amount.</p> <p>On the other hand, note that the Bank carries out its transactions with related parties under the same conditions as with the rest of its customers, complying with the applicable Credit Policies and the exposure limits regulated by the BCRA.</p> <p>Additionally, the Bank, in its capacity as authorized financial entity, complies with the information provisions and obligations set forth by the Financial and Exchange Entities Law No. 21526 and the regulations issued by the Controlling Entity (Central Bank of the Republic of Argentina).</p> <p>Pursuant to the laws (General Business Company Law 19550), the CNV specific applicable rules and regulations, the professional accounting principles (Technical Resolution No. 21) and the best practices, the Bank informs about the transactions with affiliated and related companies (subsidiaries), in notes to the financial statements.</p> <p>The information provided includes the relevant transactions carried out with shareholders and managers, in habitual market conditions.</p>
Recommendation I.2: Ensure the existence of mechanisms to prevent conflict of interests.				
Answer if:				
<p>Issuer has, notwithstanding the laws and rules in force, clear policies and specific procedures to identify, handle and resolve any conflict of interest that may arise between the members of the Management Body, Senior management officers and auditors and/or members of the supervisory committee in their relationship with Issuer or with persons related to Issuer.</p>	x			<p>The Code of Ethics for Directors and Senior Management Officers sets forth the procedure to be followed in case of interest overlapping or conflict of interest.</p> <p>The Code provides that the Directors and Officers shall:</p> <ul style="list-style-type: none"> * Act honestly and in an ethical manner, including the ethical handling of any conflicts of interest, be they apparent or real, between their personal and professional relationships, promoting also an ethical behavior among colleagues and subordinates; * Avoid any kind of conflict of interest known by them or which might be reasonably deemed known thereby, reporting the Audit Committee (the "Audit Committee") any significant transaction or personal relationship which might reasonably originate such conflict of interest;
Recommendation I.3: Prevent the abuse of privileged information.				
Answer if:				
<p>Issuer features, notwithstanding the laws and rules in force, achievable policies and mechanisms to prevent the abuse of privileged information by the members of the Management Body, Senior management officers, auditors and/or members of the supervisory committee, controlling shareholders or</p>	x			<p>Banco Macro S.A. ("Banco Macro") features a policy applicable to it and to its subsidiaries (collectively referred to as the "Bank") in connection with the handling of the confidential information obtained by directors, executive officers and employees of the Bank and the trading of Securities (as defined below) issued by the Bank on the basis of such confidential information (hereinafter the "Policy"), such policies being the Corporate Insider Trading Policy and Personal Investment Policy.</p>

¹⁾ If applicable mark with "X". ⁽²⁾ In case of total compliance, inform how Issuer meets the standards and recommendations of the Corporate Governance Code. ⁽³⁾ In case of partial compliance or non-compliance justify why and indicate which actions the Management Body of Issuer intends to take in order to incorporate those it does not adopt into the next fiscal year/s if applicable.

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shareholders exercising significant influence, acting professionals and the rest of the persons listed in sections 7 and 33 of the Decree No. 677/01.				<p>This Policy determines the guidelines allowing the directors, executive officers and employees of the Bank to comply with the obligations set forth by the laws in force and applicable to securities in the jurisdictions in which securities of the Bank are traded.</p> <p>This Policy does not limit in any manner the restrictions and obligations set forth by the rules and regulations applicable to the trading of Securities. The directors, executive officers and employees of the Bank must be aware or informed about the obligations imposed by the different local and national rules and regulations in connection with the trading of Securities, before participating in that kind of transactions.</p> <p>On the other part, the Board has approved the Personal Investment Policy that regulates market access by Senior Management members and some members of the Finance, Investment Banking, Capital Markets – Transactions and Board Secretary and Corporate Management Departments in connection with the sale and purchase of instruments issued by Banco Macro S.A.</p>
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PRINCIPLE II. SET THE BASIS FOR A SOLID MANAGEMENT AND SUPERVISION OF ISSUER

Recommendation II. 1: Ensure the Management Body assumes the management and supervision of Issuer and the strategic orientation thereof.

Answer whether the Management Body approves:

II.1.1.1 the strategic o business plan, as well as the management goals and annual budgets,	X			<p>The Board of Directors approves each year the Business Plan describing the management goals and also, the Annual Expenditure and Investment Budget.</p> <p>The Board trusts the Management Control and Strategic Planning Department with the preparation of the Business Plan based on the goals established by the management. The Business Plan is approved by the Asset & Liability Committee (“ALC”) and the Board subsequently takes notice thereof. The Senior Management must see to the execution of the Business Plan and each month the ALC revises compliance therewith.</p> <p>Additionally, the Management Control Department is in charge of following up the budgeting procedure. The Management Control Department informs the ALC about the revisions made and the justification of any deviations from the budget.</p> <p>The ALC informs the Board about the follow-up of these plans and budgets.</p>
II.1.1.2 the investment policy (investment in financial and capital assets) and the financing policy,	X			<p>The Board trusts the ALC with the implementation, follow-up and adjustment of the Investment and Financing Policy. The Investment and Financing Policy is reflected in the Business Plan and the Expenditure and Investment Budget.</p> <p>The Board evaluates and approves both and also becomes takes notice of the analyses performed by the ALC with respect to any deviations.</p>
II.1.1.3 the corporate governance policy (Corporate Governance Code compliance)	X			<p>The Board of Directors has approved the Corporate Governance Code applicable to the Bank and its subsidiaries. In addition, the Board has decided the creation of the Corporate Governance & Designations Committee. This Committee is in charge of Supervising the implementation and compliance with the good practices contemplated in the Corporate Governance Code in the Bank and the subsidiary companies, all of which shall be informed to the Board.</p>
II.1.1.4 the policy of selection, evaluation and remuneration of first-line managers,	X			<p>With respect to the evaluation and remuneration of First-Line Managers, the Bank features a Compensation Policy that contemplates both the fixed remuneration as the variable one; the latter subject to the process of evaluation of goals and responsibilities.</p> <p>The Incentive Committee is in charge of controlling whether the staff economic incentive system is consistent with the entity’s culture, goals, long-term business, strategy and control environment and the prudent assumption of risks.</p> <p>The goals that Banco Macro pursues are to compensate its personnel ensuring recognition of their work and acts, internal equity, competitiveness, productivity, efficiency and added value.</p> <p>As to the selection of personnel, Banco Macro’s policy is to ensure all vacancies are covered with the most appropriate person for each position, prioritizing internal candidates.</p> <p>The Bank features a selection process that includes defining position requirements and search strategy, competence selection interviews,</p>

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				level of adjustment to the Bank's culture and technical knowledge with Human Resources and the line, and also complementary pre-employment tests, aimed at gathering as much information as possible to choose the best candidate to fill the position.
II.1.1.5 the policy of allocation of responsibilities to first-line managers,	x			The Organization Guide includes a summary of the responsibilities and duties of Senior Management officers (including the General Manager, its first-line managers reporting directly thereto and the Board's staff) as well as all lower reporting positions. The Bank's Organization Guide and Organization Chart are approved by the Board of Directors. Besides, the Bank features several Policies that all officers of the Bank must observe and comply, which are approved by such body.
II.1.1.6 the supervision of first-line managers succession plans	x			Through the delegation to the Corporate Governance & Designations Committee. Such Committee is in charge of the process to replace or substitute Senior management officers, and of approving the designation thereof, following the guidelines of the executive officers succession plan. The Bank features guidelines for the succession of key positions.
II.1.1.7 the corporate social responsibility policy,	x			The Bank features a Sustainability Policy. The Board has decided that the Ethics & Compliance Committee shall be in charge of supervising the application of these guidelines. Besides, the Bank has a specific department that develops actions related to such policy.
II.1.1.8 Comprehensive risk management and internal control policies, and fraud prevention policies,	x			Risk Management: The Board has decided the creation of a Risk Management Committee. Additionally, it has appointed a Comprehensive Risk Manager, which coordinates, the Compliance Officer y the risk management Manager, who is in charge each responsible for risk and is responsible for monitoring the activities of Senior Management with respect to risk management credit, market, liquidity, operational, among others. The Comprehensive Risk Manager also advises the Board on the risks to which the entity is exposed. Internal Control: The Board defines clear guidelines with respect to the responsibility of each of the members of the organization. It is the responsibility of Senior Management to implement appropriate internal control systems and to monitor the effectiveness thereof, periodically reporting to the Board about compliance with goals. In addition, pursuant to the provisions of the Capital Markets Law and the CNV rules and regulations, it is the responsibility and duty of the Audit Committee to supervise the operation of the internal control systems and of the administrative and accounting system, as well as the reliability of the latter and of all the financial information or of other significant events submitted to the CNV (Argentine Securities Exchange Commission) and the self-regulated entities in compliance with the applicable information requirements. Furthermore, the Bank has an Internal Audit Committee –as required by the rules of the Central Bank of the Republic of Argentina- in charge of supervising the appropriate operation of the internal control systems defined in the entity by means of periodic evaluations. Finally, the Bank complies with the SOX Certification, which is part of the regulatory requirements of the New York Stock Exchange (NYSE) for companies listing its shares in the United States of America, and which requires the assertion that the Entity had, at the end of each fiscal year, an effective internal control over the financial reporting based on a set of control criteria defined in order to meet the requirements under the Auditing Standard No. 5 "An Audit of Internal Control Over Financial Reporting That is Integrated with An Audit of Financial Statements" (AS N. 5) issued by the PCAOB (Public Company Accounting Oversight Board). This certification is reviewed by our Independent Auditors. Prevention of Fraud: The Bank features a department with specific functions as to the prevention and investigation of frauds. The procedures in this regard are aimed at detecting behaviors and investigating fraudulent events and practices in order to protect customers' rights and the Bank's institutional image, preserving the transparency and safety of its transactions.
II.1.1.9 the policy of continuous training and formation for the members of the Management Body and of first-line managers. In case this policy is in place, please describe the main aspects thereof.	x			These officers, within the scope of their responsibilities, have the possibility of arranging their training in different subjects related to the business, facilitating the Bank the necessary resources for such training. During the last fiscal year, the Directors have received training and updates related to Corporate Governance, Anti-Corruption, Sustainability , Anti-Money Laundering issues, delivered by independent and internal advisors. Besides they also attend regular information sessions on regulatory updates, banking matters and also micro and macro-economic aspects. Furthermore, they frequently participate in courses, seminars or similar events that deal with banking, anti-money laundering issues, etc.

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<p>II.1.2 If applicable, add other policies applied by the Management Body and not mentioned herein, and describe the significant aspects thereof.</p>	<p>x</p>			<ul style="list-style-type: none"> • Code of Banking Practices • Code of Investor Protection • Corporate Social Responsibility Policy • Protection of Personally Identifiable Information • Policy of Non-Discrimination in the Composition of the Board of Directors • Know Your Organization Structure Policy • Antibribery Policy • Transparency and Public Information Policy • Financial Services User Protection Policy • Personal Investment Policy <p>The document known as Corporate Governance Code and published in Banco Macro's web site (About Us – Investors Relations) http://ri-macro.com.ar/ includes a description of each of the above listed policies.</p>
<p>II.1.3 Issuer features a policy aimed at ensuring the availability of relevant information for decision making by its Management Body and a direct enquiry line for management level members, in order to ensure a symmetric information resource for all its members (executive officers, independent and external) in equal conditions and with reasonable advance in order to allow the adequate analysis of the its content. Please specify.</p>	<p>x</p>			<p>The Bank complies with the provisions set forth in the General Business Company Law as to the operation of the Board of Directors as corporate management body.</p> <p>As to the meetings of the Board, before each one of them, the members of the Board are given the list of matters to be discussed and all relevant supporting information/ documentation allowing a correct analysis. Additionally, the Bank has created a Secretary of the Board to answer any inquiries or questions that may arise and interact with the Directors.</p> <p>On the other hand, the Bank's committees operate subject to a set of rules and regulations and under the coordination of an officer, who shall be responsible for the distribution and access to the information material to be discussed in each meeting, before such meetings are held.</p>
<p>II.1.4 All matters submitted to the Management Body are accompanied by an analysis of the risks related to the decisions that such body may make, considering the corporate risk level defined as acceptable by Issuer. Please explain.</p>	<p>x</p>			<p>The Bank features Risk Management Policies and Procedures and a Risk Management Committee responsible of seeing to the application thereof. Within the scope of such Committee, the Entity has defined, with the Board's approval, thresholds and limits for each exposure to significant risks, and an authorization scheme for the authorization of these exposures. Besides, Banco Macro features rules for the analysis and approval of new products and procedures, which include the analysis of any related risks.</p>
<p>Recommendation II.2: Ensure an effective control of corporate Management. Answer whether the Management Body verifies:</p>				
<p>II.2.1 compliance with the annual budget and the business plan,</p>	<p>x</p>			<p>The Assets & Liabilities Committee is in charge of following up the compliance with the Business Plan and the Budget. Such Committee shall inform the Board of Directors about any significant deviation it may detect.</p>
<p>II.2.2 the acts and actions of first-line managers and compliance of the goals defined for them (the level of expected profits versus the level of profits actually obtained, financial rating, accounting report quality, market share, etc.) Include a description of the relevant aspects of Issuer's Management Control policy providing details of the techniques employed and the frequency of the monitoring actions carried out by the Management Body.</p>	<p>x</p>			<p>The acts and actions of General Manager and Senior Management members and the fulfillment of their goals are evaluated on a permanent basis.</p> <p>The Board as a whole and the Directors individually, through their participation in the different committees of the Bank, continuously evaluate the acts and actions of Senior Management officers, in addition to the annual planning and evaluation contemplated in the Incentive Policy.</p> <p>Furthermore, this review is carried out through the follow-up of the Business Plan and the Budget, which are responsibilities allocated by the Function Manual.</p>
<p>Recommendation II.3: Disclose the evaluation process of Management's performance and the impact thereof. Answer whether:</p>				
<p>II.3.1 Each member of the Management Body complies with the Bylaws of the company and, if applicable, with the Operating rules and regulations of the Management Body. Provide details of the main provisions of such Operating rules and regulations. Indicate the degree of compliance with the</p>	<p>x</p>			<p>The Board of Directors has no operating rules and regulations. Each of its members fully complies with the provisions of the corporate bylaws. Section 10 of the Financial Entities Law contemplates certain incapacities to act as Director, as well as certain conditions as to financial market suitability and experience the Directors must comply with.</p>

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company's Bylaws and the Operating Rules and Regulations.				
<p>II.3.2 The Management Body reports the results of its administration taking into account the goals set at the beginning of the year, so that the shareholders are able to evaluate the compliance degree of such goals, which include both financial and non-financial aspects. Additionally, the Management Body submits a diagnosis on the compliance degree of the policies described in Recommendation II, items II.1.1. and II.1.2</p> <p>Describe the main aspects of the evaluation made by the Shareholders' Meeting regarding the degree of compliance on the part of the Management Body of the goals set at the beginning of the year and of the policies described in Recommendation II, items II.1.1 and II.1.2, specifying the date of the Shareholders' Meeting during which such evaluation was submitted.</p>	x			<p>The Board of Directors discloses the results of its administration through the Annual Report and the Financial Statements for the year (which constitute the Integrated Report), pursuant to section 66 and 63 of the General Business Company Law No. 19550, respectively and section 60 of the Capital Markets Law No. 26831.</p> <p>In addition, the Board has established the Board Self-Assessment Policy, the Corporate Governance Committee being responsible for implementing the same. Such self-assessment shall be carried out each year individually (with a Self-Assessment Survey) and in group, according to the consolidated results obtained.</p> <p>On the other hand, the Corporate Governance Code and its Explanatory Report supplement the reporting and disclosure regarding the management framework.</p> <p>Finally, it is worthwhile mentioning that the Directors' administration or performance has never been questioned by the shareholders.</p>
<p>Recommendation II.4: That the number of external and independent members be a significant proportion in the Management Body. Answer whether:</p>				
<p>II.4.1 The proportion of executive external and independent officers (the latter as defined in the rules of this Commission) of the Management Body relates to Issuer's capital structure.</p>	x			<p>The Bank has the number of independent directors that is necessary to meet the requirements of the rules of the Central Bank of the Republic of Argentina, the Argentine Securities Exchange Commission and the Securities and Exchange Commission ("SEC") and relates to Issuer's capital structure.</p>
<p>II.4.2 During the present year, the shareholders agreed at a Shareholders' Meeting upon a policy aimed at keeping a proportion of at least 20% of independent members over the total number of members of the Management Body.</p> <p>Describe the relevant aspects of such policy and any other shareholders agreement that may help to understand the way in which the members of the Management Body are designated and for how long. Specify whether the independent capacity of the members of the Management Body was questioned during the course of the present year and whether there has been any abstention due to conflict of interests.</p>	x			<p>There is no need of a shareholders' agreement to keep a proportion of at least 20% of independent members, pursuant to the laws mentioned in the preceding item.</p> <p>The Bank complies with the indicated proportion since six out of the 13 members elected by the Shareholders' Meeting to compose the Board of Directors meet the independence requirement, and therefore, the proportion achieves 53% of the members.</p> <p>The independent capacity of the members of the Board has not been questioned.</p>
<p>Recommendation II.5: Commit to the existence of rules and proceedings inherent to the selection and proposal of the members of the Management Body first-line managers. Answer whether:</p>				
<p>II.5.1 Issuer has a Designations Committee</p>	x			<p>The Bank has a Designations Committee (known as Corporate Governance and Designations Committee)</p>
<p>II.5.1.1 composed by at least three members of the Management Body, a majority of which acts as independent member,</p>		x		<p>The Committee shall be composed so that independent Directors constitute the majority. Besides, the Board has appointed the Head of Human Resources, the Head of Comprehensive Risk Management and the Head of Legal Affairs to be members of the Committee.</p>
<p>II.5.1.2 chaired by an independent member of the Management Body,</p>	x			<p>The Bank determined this Committee shall be chaired by an independent director and this shall be formalized at the next meeting.</p>
<p>II.5.1.3 whose members prove to have enough knowledge and experience in human capital policy matters</p>	x			<p>The members of the Committee have long and proved experience in terms of Human Resources and solid knowledge of the banking business.</p>

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II.5.1.4 that meets at least twice a year.	x			The Committee meets at least semi-annually.
II.5.1.5 whose decisions are not binding for the General Shareholders' Meeting but rather of an advisory nature as to the selection of the members of the Management Body.	x			<p>According to the Board of Directors definition, under the Corporate Governance Code, the directors must be morally suitable and have experience in and knowledge of the banking business. There are no formal requirements to participate in the board apart from those set forth by the applicable laws.</p> <p>On the other hand, the Central Bank of the Republic of Argentina (BCRA), through its CREFI circulars (communications regarding the Creation and Operation of Financial Entities) on Financial Entities Authorities, sets forth evaluation criteria followed in order to grant the authorization to the directors designated by the shareholders' meeting.</p> <p>No person subject to the incompetence and incompatibilities established by law may act as Director. The legal representative shall see that the nominee does not fall within such incompetence and incompatibility grounds. Regard shall be given as well to whether the nominee has been convicted for money-laundering and/or terrorism financing activities or if she or he has been sanctioned by the Financial Reporting Unit or if she or he has been disqualified, suspended, prohibited or revoked by the Central Bank of the Republic of Argentina (BCRA), the Argentine Securities Exchange Commission (CNV) and/or the National Superintendency of Insurance (SSN for its acronym in Spanish).</p> <p>At least 2/3 of the directors shall prove their experience in managerial positions or other prominent positions in the financial area, in the public or private sector, either in the country or abroad.</p> <p>The BCRA shall evaluate the background information of each designated director. Previous evaluation by the BCRA of such background information or record shall not be necessary when: i) the designated director has already acted as such in a financial entity and was subject to previous evaluation by the BCRA, ii) the time elapsed from termination of such office and the new proposal or designation does not exceed 3 years, iii) the office to hold is in a financial entity of the same or inferior class (Section 2 of the Financial Entities Law No. 21526- and/or of an inferior Group, pursuant to the provisions of Section 4 - Revised Text "Background Information of Financial Entities - Separation of Executive and Administrative Functions").</p>
II.5.2 In case the entity has a Designations Committee, answer whether such Committee:				
II.5.2.1. verifies the annual review and evaluation of its rules and regulations and suggests the Management Body the amendments for the approval thereof,	x			The Committee revises on an annual basis its rules and regulations and suggests to the Board any possible amendments or changes to be done.
II.5.2.2 proposes the development of criteria (qualification, experience, professional reputation, ethics and other) for the selection of new members of the Management and first-line managers,		x		<p>The Board of Directors has defined the criteria for the selection of new members of the Board and included them in the Corporate Governance Code (see II.5.1.5).</p> <p>The Bank's directors must be morally suitable and have experience in and knowledge of the banking business. There are no formal requirements to participate in the board apart from those set forth by the applicable laws.</p> <p>Fulfillment with such requirements is evaluated at the time of the proposal for the designation of the directors made by the Shareholders' Meeting as well as on a periodic basis during the time the director holds office as such.</p> <p>As to the members of the Senior Management (first-line), the Bank features a selection process that includes defining position requirements and search strategy, competence selection interviews, level of adjustment to the Bank's culture and technical knowledge with Human Resources and the line, and also complementary pre-employment tests, aimed at gathering as much information as possible to choose the best candidate to fill the position.</p>
II.5.2.3 identifies candidates to hold office as members of the Management Body to be proposed by the Committee to the General Shareholders' Meeting,				We consider this item does not apply since the Argentine laws establish that the proposal for the designation of new Directors must be submitted by the shareholders, who have not delegated such functions.

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II.5.2.4 suggests members of the Management Body who shall act as members of the different Committees within the Management Body in accordance with their background				We consider this item does not apply since the Board of Directors is the body deciding the composition of the Bank's Committees.
II.5.2.5 recommends that the Chairman of the Board shall not simultaneously act as General Manager of Issuer	x			The Bank complies with this recommendation since the President of the Bank does not act as general manager. The Board has designated a General Manager.
II.5.2.6 ensures the availability of the resumes of the members of the Management Body and first-line managers in Issuer's web site, where there is express indication of the term of their mandates in the first case,	x			Pursuant to the provisions of the Board contemplated in the Transparency Policy, the Bank's web site (www.macro.com.ar) shows the information regarding the composition and resumes of the directors, the members of the supervisory committee and Senior Management.
II.5.2.7 confirms the existence of a succession plan applicable to the Management Body and first-line managers		x		<p>The Argentine laws grant the shareholders' meeting the power to appoint the members of the board of directors of a company.</p> <p>Senior Management . When companies need to develop a Business Strategy, they require physical and financial assets, and inevitably people to provide them with the knowledge and management capacity.</p> <p>For this reason, the Bank decided that Human Capital must also be planned, in order to efficiently meet present and future requirements of the business.</p> <p>This planning implies: identifying business needs and what competences and capabilities we will need; when should they be available and implementing actions to have the necessary professional resources for each moment.</p> <p>It's Banco Macro's policy to have a qualified professional team to hold Management positions and to allow the Bank's short, medium and long-term growth and development.</p>
II.5.3 If applicable, please add any implemented policies designed by the Designations Committee of Issuer not mentioned in the preceding item.				Not Applicable.
Recommendation II.6: Evaluate whether it is convenient to have the members of the Management Committee and/or auditors and/or members of the supervisory committee rendering services for several Issuers.				
Answer whether:				
Issuer establishes a limit to the members of the Management Body and/or auditors and/or members of the supervisory committee to render services for or hold offices in other entities that are not part of the economic group, controlled by Issuer and/or of which Issuer is a member. Specify such limit and indicate whether during the year Issuer detected and verified any violation of such limit.	x			<p>The board considers appropriate not to limit the number of companies in which the directors and/or auditors of the Bank may hold office as such. The board bases its decision in this respect on the diversity of knowledge and experience that such other offices may contribute to the directors and/or auditors.</p> <p>This decision is contemplated in the Corporate Governance Code as approved by the Board of Directors.</p>
Recommendation II.7: Ensure the training and development of the members of the Management Body and first-line managers of Issuer				
Answer whether:				
II.7.1 Issuer has continuing Training Programs related to Issuer's needs for the members of the Management Body and first-line managers, which include matters regarding their role and responsibilities, the integral management of business risks, specific aspects of the business and the rules and regulations applicable thereto, corporate governance dynamics and matters regarding corporate social responsibility. In the case of the members of the Supervisory Committee, international accounting standards, audit and internal control principles and rules and specific capital	x			<p>The Bank features a continuing formation and training program for the members of the Board and Senior Management officers. In addition, these officers, within the scope of their responsibilities, have the possibility of arrange their training in different subjects related to the business, and the bank facilitates the necessary resources to allow such training.</p> <p>During the last fiscal year, the Directors have attended training courses on Corporate Governance, Anticorruption, Sustainability and Anti-Money Laundering, which have been given by independent and internal advisors and have had adequate compliance.</p> <p>Besides, they are given information sessions related to regulatory matters of banking nature and also on micro and macroeconomic aspects.</p>

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market rules and regulations.				They frequently participate in courses, seminars or similar events on banking, anti-money laundering matters, among other subjects.
II.7.2 Issuer encourages, by other means not described in II.7.1 above, the members of the Management Body and first-line managers to keep a constant training to complement is formation level in order to add value to Issuer. Indicate how Issuer accomplishes this.	x			<p>The formation and training program is aimed at fostering the compromise of those who direct the company so that they are the main transmission sources both of knowledge and the Bank's culture.</p> <p>Therefore, our policy includes both internal and external training activities in order to allow the officers to propose the formation alternatives that best suit or meet their needs and the needs of the person to carry out his/her work at the Bank.</p>
PRINCIPLE III. GUARANTEE AN EFFECTIVE POLICY OF IDENTIFICATION, MEASUREMENT, MANAGEMENT AND DISCLOSURE OF BUSINESS RISK				
Recommendation III: The Management Body must have an integral business risk management policy and monitor the appropriate implementation thereof.				
Answer whether:				
III.1 Issuer features integral business risk management policies (compliance with strategic, operating, financial goals, with account reporting requirements, laws and rules and regulations, among other). Please describe the most relevant aspects of such policies.	x			<p>Macro Risk Management Policy defines the environment for the risk management process, under the notions of risk identification, measurement and monitoring. It also establishes the responsibilities of each level within the Organization in this process.</p> <p>The risk management process includes the Board defining exposure limits for each of the risks, following up the exposure of each of such limits by the persons in charge, preparing periodic reports for the Risk Management Committee, following up the alerts and applying the relevant action plans to such alerts.</p>
<p>III.2 There is a Risk Management Committee within the Management Body or the General Management. Please inform about the existence of procedural guidelines and provide details of the principal risk factors that are specific for Issuer or its activity and the implemented mitigation actions. In the absence of such Committee, please describe the supervisory function performed by the Supervisory Committee as the risk management.</p> <p>Additionally, specify the interaction level between the Management Body or its committees and Issuer's General Management regarding the integral business risk management actions and proceedings.</p>	x			<p>The Board has decided the creation of a Risk Management Committee. Additionally, it has appointed a Comprehensive Risk Manager. The Head of Compliance and Risk Management report to the Comprehensive Risk Manager and each officer responsible for each risk area reports in turn to the Head of Risk Management.</p> <p>Comprehensive Risk Manager is responsible for monitoring the activities of Senior Management with respect to the management of credit, market, liquidity, and operational risks, among others. The Comprehensive Risk Manager also advises the Board on the risks to which the entity is exposed.</p> <p>The Committee is composed of three Directors, two of them are independent directors, the General Manager, the Head of Comprehensive Risk Management, the Head of Risk Management, the Head of Credit Risk, the Head of Finance, the Head of Human Resources and the Head of Operations & Technology.</p> <p>Within the scope of risk management, each person in charge of risk management issues designs and implements the specific policies and proceedings applicable to each of the risks (credit, market, operational), follows up risk exposure based on the limits and/or thresholds defined for each risk in agreement with the Board. Additionally, the person in charge informs about any alerts that may arise and coordinates the implementation of the applicable action plans to regularize the situation. The description of the risk management framework is included in the Annual Report prepared for the present fiscal year, in the notes to the Financial Statements and in our Web site.</p> <p>The Committee keeps the Board updated and informed about the risk management framework. The Board is aware of all the minutes of the meetings held by the Committee.</p>
III.3 There is an independent function within Issuer's General Management that implements the comprehensive risk management policies (function of the Risk Management Officer or equivalent). Specify.	x			<p>Risk management responsibility falls on the Comprehensive Risk Manager. .</p> <p>The Risk Management Committee is responsible for following up the management of the risks Is the responsibility of the Committee to establish an independent risk management.It also advises and keeps the Board informed about the entity's risks.</p>
III.4 Comprehensive risk management policies are constantly updated in accordance with the recommendations and	x			Risk Management Policies are continuously updated, adjusting the bank's practices to the best market practices, based on the model's maturity.

1) If applicable mark with "X". (2) In case of total compliance, inform how Issuer meets the standards and recommendations of the Corporate Governance Code. (3) In case of partial compliance or non-compliance justify why and indicate which actions the Management Body of Issuer intends to take in order to incorporate those it does not adopt into the next fiscal year/s if applicable.

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methods recognized and accepted in this field. Specify which ones (Enterprise Risk Management, under the scope of COSO – Committee of Sponsoring Organizations of the Treadway Commission-, ISO 31000, IRAM 17551, section 404 of Sarbanes-Oxley Act, others)				Risk management policies are in line with the recommendations issued by the Basle Committee and the rules of the BCRA and complies with section 404 of Sarbanes-Oxley Act.
III.5 The Management Body communicates the results of supervision of risk management actions performed on a joint basis with the General Management in the financial statements and in the annual report. Describe the main aspects of the statements made therein.	x			<p>The risk management framework is shown through the Notes to the Financial statements, the Annual Report for the relevant fiscal year, and in our Web site (http://ri-macro.com.ar/) Also, the Market Discipline Report, which outlines the framework of risk management applied by the Bank</p> <p>The main aspects of this externalization, involves the identification, measurement, monitoring and control process, for each risk, and guidelines for stress testing and methodologies to determine the economic capital.</p>
PRINCIPLE IV. PROTECT THE INTEGRITY OF FINANCIAL INFORMATION WITH INDEPENDENT AUDITS				
Recommendation IV: Guarantee the independence and transparency of the functions entrusted to the Audit Committee and the Independent Auditor.				
Answer whether:				
IV.1. At the time the Management Body appoints the members of the Audit Committee, taking into account that the majority of them must be independent, evaluates the convenience that such Audit Committee be presided by and independent member.	x			<p>The Bank lists its shares in the New York Exchange; therefore it is subject to Rule 10A-3 of the Securities Exchange Law of 1934 (Section 303A.06), which establishes that all the members of the Audit Committee must be independent Directors.</p> <p>The Bank's Audit Committee is composed of three regular directors, who are independent under the rules of the CNV. Accordingly, the Chairman of the Audit Committee must be an independent Director.</p>
<p>IV.2 There is an internal audit function reporting to the Audit Committee or to the Chairman of the Management Body and that is in charge of evaluating the internal control system.</p> <p>Indicate whether the Audit Committee or the Management Body makes an annual evaluation about the performance of the internal audit department and the degree of independence of its professional work, meaning that the professionals in charge of such function are independent from the rest of the operating departments and also meet independency requirements as to the controlling shareholders or related entities having significant influence on Issuer.</p> <p>Specify, as well, whether the internal audit function carries out its work in accordance with the standards of international profession of internal audit issued by the Institute of Internal Auditors (IIA).</p>	x			<p>There is an Internal Audit function that reports to the SEC Audit Committee and the Internal Audit Committee (the latter, required under the provisions of the Central Bank of the Republic of Argentina).</p> <p>The SEC Audit Committee performs an annual review on the performance of the Internal Audit department and also on the degree of independence of such activities. This evaluation is carried out by reviewing the internal auditors' plans and the performance thereof. Particularly, there are periodic meetings with them in order to learn about: i) their responsibilities, ii) the internal audit policies and proceedings, iii) the scope and plans for the fiscal year, including the sufficiency of available resources to be used, personnel's experience and related costs, iv) their evaluation on the quality of the controls carried out by the Entity, v) fraud-related risk factors, and vi) the kind of reports issued thereby and to whom they address and send such reports. In addition, they discuss about: i) the quality of the Entity's general control environment, ii) the material recommendations to improve internal controls and the Board's response to such recommendations, iii) the treatment given to material recommendations issued by independent auditors in order to improve internal control and, iv) the effectiveness of internal controls over the accounting reports to be used by third parties.</p> <p>The Internal Audit department reports directly to the Committee, being independent form the operating and business departments.</p> <p>The internal audit department performs its work in accordance with the standards of international profession of internal audit issued by the Institute of Internal Auditors (IIA).</p> <p>In addition, the Internal Audit department is evaluated by the Central Bank of the Republic of Argentina.</p>
IV.3 The members of the Audit Committee perform an annual evaluation of the competence, independence and performance of Independent Auditors appointed by the Shareholders' Meeting. Describe the relevant aspects of the proceedings used to carry out such evaluation.	x			<p>The SEC Audit Committee makes an annual evaluation of the competence, experience and performance of Independent Auditors, through periodic meetings with them in order to learn about: i) the internal quality controls the have, ii) the scope and plans for their reviews limited by interim periods and for their audit for the final year, including the sufficiency of the resources to be used and the fees, iii) their evaluation of the risk of material errors in the financial statements and the designed controls, iv) the departments evaluated as of higher risk, and v) internal control improvement recommendations. Besides, at such meetings the Audit Committee and the Independent Auditors discuss about: i) critical accounting policies and alternative accounting treatments discussed with the Management, ii) the most significant estimates and opinions, iii) changes in the scope of the work or proceedings planned due to a change in risk assessment, iii) weakness in</p>

¹⁾ If applicable mark with "X". (2) In case of total compliance, inform how Issuer meets the standards and recommendations of the Corporate Governance Code. (3) In case of partial compliance or non-compliance justify why and indicate which actions the Management Body of Issuer intends to take in order to incorporate those it does not adopt into the next fiscal year/s if applicable.

				<p>internal control of accounting reporting, iv) the use of specialized people or experts in material matters, and v) the results of their limited reviews and audits.</p> <p>Finally, the Committee evaluates the different professional services and their relationship with independence, pursuant to the provisions of the professional standards, the CNV's rules and regulations and the internal policies aimed at ensuring compliance with the above described independence rules and/or standards. The Bank has obtained information on the composition of the fees billed by the different services rendered in accordance with the categorization defined under the CNV's rules and regulations.</p> <p>The Independent Auditors' function is in turn evaluated by the Central Bank of the Republic of Argentina.</p>
<p>IV.4 Issuer features any policy regarding the rotation of the members of the Supervisory Committee and/or the Independent Auditor; and in connection with the latter, whether such rotation includes the auditors company or firm or only the individuals that are members thereof.</p>	x			<p>Banco Macro establishes as rotation policy that the certifying independent auditor shall rotate every five years, in compliance with the provisions of CONAU – Accounting and Audit, Chapter F – Minimum Provisions on Independent Audits of the BCRA.</p> <p>On the other hand, the provisions of the CNV for issuing companies establish, under General Resolution 663 dated May 5th 2016 the following:</p> <p>SECTION 28.- Rotation of key audit partners must meet the provisions of Exhibit "Rules on Independence" of the Technical Resolution No. 34 issued by the FACPCE applicable to public-interest entities.</p> <p>When the public accountants company or firm has a limited number of persons with the knowledge and experience necessary to act as key audit partner of issuer, the entity is released from the obligation to rotate key partners in such circumstances provided however that such rotation requirement is replaced by the participation of an additional professional not related to the audit team for him or her to revise the work performed or, otherwise, provide appropriate advice, taking into account –among other factors- the entity's nature, the risks involved and the complexity of transactions. This additional professional may not hold office as such for more than SEVEN (7) years, such rotation being applicable, and must abide by the same rules applicable to the accountants company or firm. In addition, the participation of this professional may be replaced by the participation of any other person who is not a member of the accountants company or firm, and who may be retained under any kind of collaboration or temporary association agreements allowing such professionals or companies to comply with the above mentioned rules and regulations.</p> <p>Any company listing its shares in the stock exchange, in order to determine the time when it shall rotate the key audit partner in such entity, must consider the time during which the person has served the audit client as key audit partner.</p> <p>When an entity enters the public offering regime, in order to determine the time of rotation, it shall take into account the time during which the public accountant has served the entity as key audit partner before the company started listing its shares in the stock exchange. If the public accountant has served such entity for FIVE (5) years or less, then the number of years during which such public accountant may continue to serve as key audit partner, before leaving such office for rotation, shall be seven years, after deducting the years such public accountant has served as such. If the public accountant has served the audit client as key audit partner for SIX (6) years or more at the time the entity enters the public offering regime, the partner may continue to serve as such during a maximum term of two years more before leaving office for rotation".</p> <p>On the other hand, the Bank has no rotation policy applicable to the members of the Supervisory Committee, since the designation thereof is the responsibility of the shareholders.</p>
PRINCIPLE V. RESPECT THE RIGHTS OF SHAREHOLDERS				
Recommendation V.1: Ensure shareholders have access to Issuer's information.				
Answer whether:				
<p>V.1.1 The Management Body promotes periodic information meetings with the shareholders simultaneously with the presentation of the interim financial statements. Provide details and indicate the number and frequency of the meetings held during the year.</p>	x			<p>The Investor Relations department, operating within the Finance Managing Department and whose purpose is to create and maintain relations with institutional investors, analysts and other agents of the local and international financial system, organized during the year four public conference calls with investors, in which they submitted the quarterly/annual statements of income.</p>
<p>V.1.2 Issuer features mechanisms to keep investors informed</p>	x			<p>Issuer features a channel open to investors through its web site and a specialized department devoted to managing Investor Relations</p>

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and a specialized department to attend to their queries. It also has a web site available to the shareholders and other investors, and allowing an access channel for them to be able to contact among themselves. Provide details.				<p>through which investors may direct their queries and/or requests.</p> <p>Additionally, Issuer hired a press release distribution services and a mail distribution system (mailing) that allows the distribution of all news Issuer considers relevant.</p> <p>Due to the shareholding structure of Banco Macro and the knowledge they have of each other, the Bank does not consider necessary to establish access channels to allow the shareholders to contact among themselves.</p>
<p>Recommendation V.2: Encourage shareholders' active participation. Answer whether:</p>				
V.2.1 The Management Body adopts actions to encourage the participation of all the shareholders in the General Shareholders' Meetings. Specify, differentiating those measures or actions required by law and those voluntarily offered by Issuer to its shareholders.	x			<p>Banco Macro considers very important to encourage and Foster the attendance and active participation of minority shareholders in the meetings. The Board is permanently watching over the respect of the rights of all the shareholders.</p> <p>There are no restrictions at all which may limit the participation of such shareholders, being their rights legally and statutorily guaranteed and protected.</p>
V.2.2 2 The General Shareholders Meeting has Rules and Regulations for its operation which ensure the information is available to the shareholders, sufficiently in advance for decision making. Describe the main guidelines of such Rules and Regulations.	x			<p>The provisions of the General Business Company Law No. 19550 ensure that the information and documentation for decision making by the shareholders' meeting is available to the shareholders sufficiently in advance.</p>
V.2.3 The mechanisms implemented by Issuer for the minority shareholders to propose matters to be discussed at the General Shareholders' Meeting pursuant to the laws in force. Explain the results.	x			<p>Banco Macro complies with the mechanisms established under the General Business Company Law No. 19550 and the Rules of the Argentine Securities Exchange Commission (CNV), so that the minority shareholders may propose matters to be discussed at the General Shareholders' Meeting.</p>
V.2.4 Issuer features policies encouraging the participation of the most relevant shareholders, such as institutional investors. Specify.	x			<p>Banco Macro complies with the applicable laws and, therefore, gives the same treatment to all the shareholders. The Bank has a department of Investor Relations devoted to create and maintain relations with institutional investors, analysts and other local and international financial system agents.</p>
V.2.5 At Shareholders' Meetings, the agenda of which includes the designation of members of the Management Body, the entity discloses, prior to voting: (i) the position of each of the candidates as to the adoption or not of a Corporate Governance Code; and (ii) the basis for such position.				<p>The Bank has determined that these representations be made at shareholders' meetings and this aspect is communicated to the shareholders in the notice calling to the relevant meeting.</p>
<p>Recommendation V.3: Guarantee the equity principle between share and vote. Answer whether:</p>				
Issuer features a policy that encourages the equity principle between share and vote. Indicate the changes in the composition of outstanding shares per class during the last three years.	X			<p>Pursuant to Sect. 216 of the General Business Company Law No. 19550, no shares with privileged voting rights may be issued after the company has been authorized to enter the public offering regime.</p> <p>Therefore, at present Banco Macro cannot issue shares with plural voting votes. The existing 11,235,670 shares with 5 votes represent 1.7% of the total outstanding shares.</p> <p>The composition of the capital stock has not changed during the last three years:</p> <p>Class A Shares: 11,235,670 Class A + Class B Shares: 669.663.021</p>

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<p>Recommendation V.4: Define mechanisms to protect all the shareholders from control changes. Answer whether:</p>																				
<p>Issuer adheres to the public offering regime of mandatory acquisition. Otherwise, specify if there are other alternative mechanisms provided for in the entity's bylaws, such as tag along or other.</p>	x			<p>Banco Macro adheres to the mandatory public offering regime of acquisition under Capital Markets Law and CNV rules and regulations.</p>																
<p>Recommendation V.5: Increase the percentage of outstanding shares over capital sock.. Answer whether:</p>																				
<p>Issuer has a stock dispersion of at least 20% for its common shares. Otherwise, Issuer has a policy aimed at increasing stock dispersion in the market.</p> <p>Indicate Issuer's stock dispersion as a percentage of Issuer's capital stock and the changes it went through during the last three years.</p>	x			<p>Banco Macro's stock dispersion index is above the 20% defined as good practice.</p> <p>Three comparative years: (Add Table)</p> <table border="1"> <thead> <tr> <th></th> <th>Floating</th> <th>Anses (FGS)</th> <th>Controlling Shareholders</th> </tr> </thead> <tbody> <tr> <td>31/12/2016</td> <td>30.10</td> <td>31.50</td> <td>38.40</td> </tr> <tr> <td>31/12/2017</td> <td>39.25</td> <td>27.49</td> <td>33.26</td> </tr> <tr> <td>31/12/2018</td> <td>39.24(*)</td> <td>27.49</td> <td>33.27</td> </tr> </tbody> </table> <p>(*) incluye 4,32% de acciones en cartera</p>		Floating	Anses (FGS)	Controlling Shareholders	31/12/2016	30.10	31.50	38.40	31/12/2017	39.25	27.49	33.26	31/12/2018	39.24(*)	27.49	33.27
	Floating	Anses (FGS)	Controlling Shareholders																	
31/12/2016	30.10	31.50	38.40																	
31/12/2017	39.25	27.49	33.26																	
31/12/2018	39.24(*)	27.49	33.27																	
<p>Recommendation V.6: Ensure a transparent dividend policy. Answer whether:</p>																				
<p>V.6.1 Issuer features a dividend distribution policy under the Corporate Bylaws and approved by the Shareholders' Meeting, which establish the conditions to distribute dividends in cash or in kind. If such policy exists, indicate the criteria, frequency and conditions that must be met to declare the payment of dividends.</p>	x			<p>Section 32 of the bylaws provides for the application by shareholders' meeting shall of the net profits reported in the financial statements as approved by such management.</p> <p>The Corporate Governance Code provides that the dividend distribution policy of Banco Macro is based on keeping the appropriate balance between the distributed amounts and the investment and expansion policies of the Bank. It is worthwhile to mention that this dividend policy may be conditioned in the future for the existence of market regulations and for the strategic plans that the company may adopt on each opportunity.</p> <p>Additionally, the distribution of dividends to shareholders is regulated by the Communication on Income Distribution issued by the Central Bank of the Republic of Argentina.</p>																
<p>V.6.2 Issuer has documented processes for the preparation of the proposal regarding the application of accumulated earnings of Issuer deriving in the creation of legal, statutory or voluntary reserve funds, or carry forwards and/or payment of dividends.</p> <p>Explain such processes and provide details as to which Shareholders' Meeting approved the distribution (in cash or in kind) or otherwise resolved no to distribute such earnings, in case there are no provisions regarding this aspect in the Corporate Bylaws.</p>	x			<p>The Bank features a procedure for the preparation of the "Year Profit Distribution Project". Such procedure involves the determination of the distributable amount under the provisions of Communication of the Central Bank of the Republic of Argentina, the issuance of accompanying reports on the results thereof, the effects of the potential distribution of profits on the technical relationships with the BCRA, the Banks financial position and Business Plan. These reports are submitted to the Board of Directors to be taken into account at the time of making the proposal to be submitted to the Shareholders' Meeting.</p> <p>The Shareholders' Meeting held on April 27th 2018 resolved to apply the retained earnings for the year 2017 as follows: Total Retained Earnings: 9,388,771,818.55: a) AR \$ 1,877,754,363.71 to the Legal Reserve fund; b) AR \$ 7,511,017,545.84 to the optional reserve fund for future distributions, pursuant to Communication "A" 5273 issued by the Central Bank of the Republic of Argentina.</p>																

PRINCIPLE VI. MAINTAIN A DIRECT AND RESPONSIBLE RELATIONSHIP WITH THE COMMUNITY

¹⁾ If applicable mark with "X". (2) In case of total compliance, inform how Issuer meets the standards and recommendations of the Corporate Governance Code. (3) In case of partial compliance or non-compliance justify why and indicate which actions the Management Body of Issuer intends to take in order to incorporate those it does not adopt into the next fiscal year/s if applicable.

Recommendation VI: Provide to the community the disclosure of matters related to Issuer and a direct communication channel with the company.

Answer whether:

<p>VI.1 Issuer features an updated public access Web site, not only providing company-related information (bylaws, economic group, composition of the Management Body, financial statements, annual report, among other information) but also servicing and attending to customers queries in general.</p>	<p>x</p>			<p>Banco Macro's Web site contains an "Investor Relations" link where the Bank presents company-related information required to comply with the best practices (http://www.ri-macro.com.ar/). In this Web site the Bank provides contact information and allows investors to ask questions and share their concerns.</p> <p>In addition the Bank has defined several contact mechanisms through the channels receiving customers' queries (branch offices, call center, customer service, Internet banking).</p>
<p>VI.2 Issuer issues a Social Corporate and Environmental Responsibility Report on an annual basis, under the verification of an Independent Auditor. In case it does so, indicate the scope or legal or geographical coverage thereof and where to find it. Specify which standards or initiatives Issuer has adopted to carry out its corporate social responsibility policy (Global Reporting Initiative and/or United Nations Global Compact ISO 26,000, SA8000, Milenium Development Goals, ESG 21-Foretica, AA 1000, Equator Principles, among other).</p>	<p>x</p>			<p>Banco Macro issues from the year 2007 its annual report on Corporate Social and Environmental Responsibility accounting for the actions performed throughout the country.</p> <p>Corporate Sustainability is part of the Bank's culture where the focus is on vulnerable sectors and creating opportunities in each region, from the offer of financial products and services quality and responsible management of impacts and business risks for the benefit of present and future generations.</p> <p>In 2014, the Bank made its first Integrated Sustainability Report. For its preparation we use the following guidelines: i) G4 standards of the Global Reporting Initiative (GRI) Sector Supplements for the financial industry, by meeting the criterion " In Accordance " and reaching the option "Essential". ii) The frame elaborated by the International Integrated Reporting Council (IIRC) and iii) the 10 principles of the United Nations Global Compact.</p> <p>These documents are available in our institutional Web site.</p>

PRINCIPLE VII. PAY FAIR AND RESPONSIBLE REMMUNERATIONS

Recommendation VII: Define clear remuneration policies applicable to the members of the Management Body and first-line managers, paying particular attention to the recognition of conventional or statutory limitations based on the existence or non-existence of earnings.

Answer whether:

<p>VII.1 Issuer has a Remuneration Committee</p>	<p>x</p>			<p>The Board has established the creation of an Incentive Committee, with responsibilities regarding the supervision of the economic incentive system applicable to the Bank's personnel and its consistency with the Entity's culture, goals, long-term business, strategy and control environment and prudent assumption of risks. These policies receive the recommendations issued by the Central Bank of the Republic of Argentina in its Communication "A" 5201 – Financial Entities Corporate Governance Guidelines.</p>
<p>VII.1.1 composed of at least three members of the Management Body, in its majority independent members,</p>		<p>X</p>		<p>The Committee shall be composed so that independent Directors hold the majority vote. The Board has as well designated as members of this Committee the Head of Comprehensive Risk Management and the Head of Human Resources.</p>
<p>VII.1.2 presided by an independent member of the Management Body,</p>	<p>x</p>			<p>The Entity defined this Committee shall be presided by an independent director, which situation shall be formalized and implemented in its next meeting.</p>
<p>VII.1.3 composed by members who prove to have sufficient knowledge and experience in human resources policies,</p>	<p>x</p>			<p>The Committee members prove to have knowledge and experience in banking business matters and in human resource management-related policies.</p>
<p>VII.1.4 that meets at least twice a year,</p>	<p>X</p>			<p>The Committee meets at least semiannually.</p>
<p>VII.1.5 whose decisions are not necessarily binding upon the General Shareholders' Meeting or the Supervisory Committee</p>			<p>x</p>	<p>The Argentine laws provide that the Shareholders' Meeting shall evaluate on an annual basis the performance and acts of the Board at the time of holding the general meeting evaluating the matters provided for under subsections 1 and 2 of section 234 of the General Business</p>

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, but are of an advisory nature as to the remuneration of the members of the Management Body.				<p>Company Law No. 19550. To the date hereof, such body has not evaluated the possibility that the Board evaluates its own performance prior to the holding of such Shareholders' Meeting.</p> <p>The Board has established the Board Self-Assessment Policy, being the Corporate Governance Committee responsible for implementing the same, to be held individually (with a Self-Assessment Survey) and group under which the consolidated results obtained</p>
VII.2 If Issuer does not have a Remunerations Committee, answer whether:				
VII.2.1 it ensures the existence of a clear relationship between the key personnel's performance and the fixed and variable remuneration thereof, taking into account the risks assumed and the management thereof,	x			<p>The Variable Remuneration program, within the scope of the Remuneration Policy, is consistent with the mission and values of the organization, the goals, the long-term business sustainability, the strategy, the control environment and the prudent assumption of risks. The Variable Remuneration is aimed at recognizing the extraordinary performance of the employees in accordance with:</p> <ul style="list-style-type: none"> • the employee's contribution to the results obtained • the employee's acts in line with the mission and values of the Organization <p>The relevant variables for the determination of the remunerations are the following:</p> <ul style="list-style-type: none"> • Position's degree of responsibility and complexity • Employee's Capacities and Potential • Employee's Performance and Results • Position with respect to reference market • Organization's results
VII.2.2 it supervises that the variable portion of the remuneration of the members of the Management Body and first-line managers relates to the medium/long-term performance of Issuer,		x		<p>The Incentives Committee supervises compliance with the Remuneration Policy and carries out an annual revision of the entire incentive system. The Remuneration Policy, in its chapter on variable remuneration, includes the First-line Managers and some supervision positions.</p> <p>The remuneration of the Directors is determined by the Shareholders' Meeting that evaluates on annual basis the performance and acts of the Board at time of holding the general meeting called to consider the matters provided for under subsections 1 and 2 of section 234 of the General Business Company Law No. 19550.</p> <p>The shareholders' meeting defines a fixed amount as annual remuneration of the directors in accordance with reasonability criteria, based on the results obtained during their administration, taking into account the provisions of the General Business Company Law No. 19550 and the Capital Markets Law No. 26831, as amended and supplemented and the Rules of the Argentine Securities Exchange Commission (CNV).</p>
VII.2.3 it revises the competitive position of Issuer's policies and practices as to remunerations and benefits of comparable companies, and recommends or does not recommend changes,	x			The Remuneration Policy includes as fixed remuneration revision mechanism the evaluation of the level thereof within the market scenario.
VII.2.4 it defines and communicates Issuer's employee-retention, promotion, dismissal and suspension policy applicable to key personnel,	x			<p>The Remuneration Policy, the supervision of which is the responsibility of the Incentive Committee, contemplates the mechanisms to be applied in order to evaluate the retention and promotion of the employees marked as key employees for the organization.</p> <p>On the other hand, the Bank has implemented a Code of Ethics and a Code of Business Conduct applicable to its officers. Deviations from internal compliance standards, is within the scope of the Ethics and Compliance Committee and some of the penalties are the suspension or dismissal of employees.</p>
VII.2.5 it informs the guidelines to determine the retirement programs for the members of Issuer's Management Body and				Not applicable since Issuer has not defined retirement programs.

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first-line managers,				
VII.2.6 it accounts on a regular basis for the actions taken and the matters analyzed during its meetings to the Management Body and the Shareholders' Meeting,	x			The Board acknowledges the minutes of the meetings held by the Incentive Committee.
VII.2.7 it guarantees the presence of the chairman of the Remuneration Committee at the General Shareholders' Meeting approving the remunerations payable to the Management Body for the chairman to explain Issuer's policy as to the remuneration of the members of the Management Body and first-line managers.				This item does not apply since the shareholders' meeting determines the annual remuneration of the directors in accordance with the reasonability criteria, based on the results obtained during their administration, taking into account the provisions of the General Business Company Law No. 19550, as amended and supplemented and the Rules of the Argentine Securities Exchange Commission (CNV). In addition, it is not applicable for the reasons described in the Remuneration Policy and because in the case of Banco Macro First-line Managers are hired by the Bank and receive no additional payments apart from their remuneration.
VII.3 If relevant, please mention the policies applied by the Remuneration Committee of Issuer not described in the preceding section.				Not applicable.
VII.4 If Issuer has a Remuneration Committee, explain how the functions described in VII.2 are performed within the Management Body.				Not applicable.

PRINCIPLE VIII. ENCOURAGE CORPORATE ETHICS

Recommendation VIII: Guarantee ethical behavior within Issuer.
Answer whether:

VIII.1 Issuer has a Code of Business Conduct. Describe the main guidelines and if such Code is available to the public in general. Answer if such Code is signed by at least the members of the Management Body and first-line managers. Indicate whether Issuer's employees are encouraged to apply such Code to suppliers and customers.	x			Banco Macro has adopted a Code of Ethics for its Directors and Senior Management members and the persons that carry out similar functions (jointly referred to as "Senior Management Financial Officers"). This Code is available to the public in general and can be found in our corporate web site. The Bank further implemented a Code of Conduct, applicable to all its employees. The Bank expects all its employees to act in accordance with the highest personal and professional integrity levels in all aspects of their activity, to comply with the applicable laws, to discourage the performance of reprehensible acts and to abide by the Bank's Code of Conduct and other policies and proceedings adopted by the entity and that regulate the conduct of its employees. This Code of Ethics supplements the Bank's Code of Conduct. Furthermore, the Bank has implemented the Code of Conduct for Suppliers, aimed at transmitting suppliers the mission, philosophy and values of the Bank, so as to bring to them the responsibility of sustainable actions. This Code includes aspects such as Ethical Behavior, Human Rights, Employment Practices, Environment and Conduct.
VIII.2 Issuer features mechanisms to receive the reporting of any unlawful act or any non-ethical action, in person or through any electronic means ensuring the information transmitted meets high confidentiality and integrity standards, such as those of registration and preservation of information. Indicate whether the report-reception and evaluation services are rendered by Issuer's personnel or by independent professionals for additional protection of those who report this kind of acts or behavior.	x			In line with its integrity and transparency standards, Banco Macro has made available to its personnel, suppliers, investors, and third parties in general, a communication channel known as Ethics Line, managed by an independent third party, KPMG, ensuring compliance with the confidentiality and anonymity principles. This communication channel allows employees, customers and vendors to report any possible irregularities or any departure from ethical behavior or conduct, including without limitation, those regarding accounting, audit and internal control issues. The Bank features several channels to submit the reports, such as: telephone, Web site, e-mail, fax, personally, by mail. All reports received are informed to a Work Team formed for such purpose and reporting to the Ethics and Conduct Committee. The Ethics Line

¹⁾ If applicable mark with "X". (2) In case of total compliance, inform how Issuer meets the standards and recommendations of the Corporate Governance Code. (3) In case of partial compliance or non-compliance justify why and indicate which actions the Management Body of Issuer intends to take in order to incorporate those it does not adopt into the next fiscal year/s if applicable.

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				<p>managing company shall inform with 24 hours from received, any reports identified as relevant under the established protocol.</p> <p>The Ethics and Conduct Committee shall take notice of all reports submitted and of how such reports have been dealt with according to the investigation procedures and sanctions in force.</p> <p>The Audit Committee also analyzes the reports received through our Ethics Line, considering all the information furnished in such reports as strictly confidential to the extent permitted by the applicable law.</p>
VIII.3 Issuers features policies, processes and systems to manage and resolve the reports described in item VIII.2. Please describe the most relevant aspects thereof and indicate the degree of involvement of the Audit Committee in such resolutions, particularly in those related to accounting reporting internal control issues and to the behavior of the members of the Management Body and first-line managers.	x			<p>Complaints and reports are filed through the following channels:</p> <p>Phone: 0800 - 122 - 5768 Mail: eticagrupomacro@kpmg.com.ar Web Page: www.eticagrupomacro.kpmg.com.ar Post mail: Bouchard 710, 6to piso, Código Postal 1001, Buenos Aires, Argentina, dirigido a "KPMG-Línea Ética Grupo Macro" Fax: +54 (11) 4316-5800 dirigido a "Línea Ética Grupo Macro"</p> <p>The Bank's website displays a link called Ethics Line, through which institutional information about the Line and the channels is accessed. The complaints that are entered are and are registered by the Line administrator in a system that provides the complainant with a registration number and allows to follow the status of the process. The link is also displayed on the intranet site, for the knowledge of Bank employees.</p>
PRINCIPLE IX: GO DEEPER INTO THE SCOPE OF THE CODE				
Recommendation IX: Encourage the incorporation good practices of corporate governance provisions into the Bylaws.				
Answer whether:				
The Management Body evaluates if the provisions of the Corporate Governance Code must be reflected, totally or partially, in Issuer's Bylaws, including the general and particular responsibilities of the Management Body. Indicate which provisions are actually included in the Bylaws from the effective day of the Code up to the present day.	x			<p>The general and special shareholders' meeting held on April 21st 2009 resolved to incorporate section 23 bis into the bylaws. This section provides that the Board of Directors may create a Designations and Corporate Governance Committee. Within the scope of such section, on November 7th 2011 the Board resolved to create a Designations and Corporate Governance Committee effective as of January 1st 2012, as well as the Risk Management Committee, the Incentives Committee and the Ethics and Compliance Committee.</p>

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