

Corporate Governance Code of YPF S.A.

Annex to Financial Statements ended 12/31/2019

General Resolution No. 797/2019 issued by the Argentine Securities and Exchange Commission (CNV)

I. Introduction

This report on the Corporate Governance Code (the “Report”) is issued in order to comply with the provisions of General Resolution No. 797/2019 issued by the Argentine Securities and Exchange Commission (“CNV”) (the “Resolution”).

YPF S.A. (“YPF” or the “Company”) acknowledges how important it is for companies to have a corporate governance system in place to guide the structure and performance of its governing bodies with special focus on ethics, transparency and anticorruption mechanisms, which is central to consolidating a responsible business in economic, environmental and social terms.

The basic pillars of YPF’s corporate governance system are integrity, transparency, responsibility, safety, sustainability, human rights, gender equality and diversity, shareholders’ participation, the appropriate functioning of the Board of Directors and the independence of the external auditor.

These pillars are mainly established in the Corporate By-Laws, the Regulations of the Board of Directors, the Regulations of the Transparency Committee and the Code of Ethics and Conduct (the “Code of Ethics”) of YPF and the Internal Code of Conduct of YPF in the context of the capital market (the “Regulations”). Corporate governance practices are also regulated by the Argentine Corporations Law No. 19,550 (LGS, for its acronym in Spanish), the Capital Markets Law No. 26,831 (LMC, for its acronym in Spanish), the Regulations of the Argentine Securities and Exchange Commission (CNV, for its acronym in Spanish) and the United States Securities and Exchange Commission (SEC).

Besides, YPF ensures the implementation of the best local and international practices in this matter, even above the standards established under the regulations to which it is subject.

II. Applicable Rules and Regulations

Capital Market Law No. 26,831 (“Law 26,831”) and the CNV Regulations No. 797/2019 and other CNV Regulations.

III. Company’s Background

YPF is a corporation organized under the laws of the Argentine Republic, with registered office at Macacha Güemes 515, City of Buenos Aires, Argentina.¹ Our term of duration is one hundred years from the registration of the By-laws in the mentioned General Inspection of Corporations,

¹Our By-laws were registered on February 5, 1991, under Number 404 of Book 108, Volume “A” of the Public Commerce Register (*Registro Público de Comercio*) of the City of Buenos Aires in charge of the Argentine Registrar of Companies (*Inspección General de Justicia*); and the By-laws, in substitution of the previous By-laws, were filed on June 15, 1993, under No. 5109, Book 113, Volume “A”, of Corporations, with the mentioned Register.

therefore it expires in 2093.

YPF is an open Company subject to the public offering and control regime of the Argentine Securities and Exchange Commission and the United States Securities and Exchange Commission, and therefore it is not subject to any administrative legislation or regulation governing the administration, management and control of companies or entities in which the Argentine or Provincial government has an equity interest pursuant to section 15 of Law No. 26,741.

IV. Contents of the Corporate Governance Code

As provided for in the Resolution as a general rule, the Corporate Governance Code is structured in three levels, principles, guidance and practices, where *principles are general concepts underlying all good corporate governance. They guide and inspire the practices recommended in the code and other ad-hoc practices that the Company has determined to be the best for itself. The second level comprises specific recommendations considered “best practices” and each may be considered as “applied” after the Company implements them in compliance with the Code. Finally, guidance is the justification and explanation of the principles and the practices reflecting them. Guidance is important as it guides, inspires and clarifies the topics dealt with in each chapter.*

The Resolution establishes that it is mandatory for the Company to prepare an annual report to be submitted to the Argentine Securities and Exchange Commission together with the Board of Directors' Report on the Financial Statements for each fiscal year, *the Board of Directors shall list in detail and explain how the principles under the “apply or not, explain” system are implemented. This system acknowledges that the corporate governance practice does not have to be translated into a rigid set of rules that apply in the same way across all companies. On the contrary, the principles are broad and flexible enough to provide a certain degree of freedom for the companies to explain why they do not apply a certain practice. That is why the Board of Directors may provide a justified explanation for an alternative way of complying with the principle. In this sense, a good explanation of why a certain practice has not been met can be equated as compliance. Thus, it is essential that companies include a description of the way in which the principle in question is fulfilled through the application of one or more alternative practices. In this way, the system ceases to be “comply or not, explain” to become “apply or not, explain”, since both the application of the practice and a good explanation are considered as “comply”.*

In this sense, this Report describes, in accordance with the Resolution:

(a) if the recommended practice is fully applied or how it is implemented, or (b) the reasons for not adopting the practice, if it might be applied in the future and how it currently complies with the principle that inspires the non-implemented practice.

The explanations are given within the context of the particular situation faced by the Company and providing clear grounds for any present or future action to comply with the respective practice.

In this sense, the way in which the issuer applies the principles laid down in the Resolution, based on the guidance provided by the CNV, if any, are indicated below:

Principles:

- A) Role of the Board of Directors
- B) Chairmanship of the Board and Corporate Secretary
- C) Composition, Nomination and Succession of the Board of Directors
- D) Remuneration
- E) Control Environment
- F) Ethics, Integrity and Compliance
- G) Participation of Shareholders and Stakeholders

A) ROLE OF THE BOARD OF DIRECTORS

Principles

- I. The company shall be led by a professional and qualified Board of Directors that shall be in charge of laying the foundations necessary to secure the sustainable success of the company. The Board of Directors shall be the guardian of the company and of all the rights of its shareholders.
- II. The Board of Directors shall be in charge of determining and promoting the corporate culture and values. The Board of Directors shall secure the fulfillment of the highest ethical and integrity standards in the company's best interest.
- III. The Board of Directors shall be in charge of securing a strategy inspired in the company's vision and mission, which is in line with the values and culture thereof. The Board of Directors shall constructively get involved with management to ensure the correct development, execution, control and modification of the company's strategy.
- IV. The Board of Directors shall permanently control and monitor the running of the company, and shall ensure that management takes actions aimed at implementing the strategy and the business plan approved by the Board of Directors.
- V. The Board of Directors shall have all necessary mechanisms and policies to carry out its duties and those of each of its members in an efficient and effective way.

Practice 1. The Board of Directors builds an ethical work culture and sets the company's vision, mission and values.²

²**GUIDANCE:** A vision is a vivid description of the company's ambitions and desired future that generally inspires the company for decades and takes into consideration a variety of actors, generally employees and clients. A mission articulates the purpose of the company that differentiates the latter from its competitors and stems from its values, available resources and market opportunities. Vision and mission are important guidelines for the strategy (Practice 2) and shall remain relevant as the Board of Directors monitors the execution of the strategy, acting as a constant reminder of the company's ultimate purpose and its direction. Values are the ethical principles by which the company's activity shall be governed. In order to generate an ethical work culture, the Board of Directors shall act under the highest ethical standards, both in the decisions it makes that

YPF is an Argentine Company with more than 95 years of history and leading market positions across the country's oil and gas value chain, from exploration, development and production of oil and gas to the transportation, refining, commercialization and distribution of a wide range of by-products. Three year ago, the Board of Directors decided to initiate an ambitious process to transform YPF into a broad energy company, developing the electric power and renewable energy business.

Its vision is to be an integrated, profitable and competitive company that produces affordable and sustainable energy with a focus on its customers, while leading energy transition in Argentina.

With respect to the Company's ethical culture, with the purpose of strengthening the ethical, transparent, sound and sustainable organizational values, YPF has an Integrity Program in place, whose major pillar is the Code of Ethics and Conduct, applicable to the Board of Directors, employees, contractors, subcontractors, providers, business partners and controlled companies. Its values and principles reflect the way in which the Company desires to undertake its activities, providing a reference framework for what is acceptable or not, setting the guidelines and highlighting the behavior that is expected from its members. There are also internal integrity policies in place to strengthen and deepen the required guidelines and behaviors, as well as training courses and internal communication channels to reinforce the culture of transparency across the Company, the classification and evaluation of third parties, the identification of risks and mitigating actions.

The implementation of the Company's Integrity Plan has the visible support of the Board of Directors and the Management. The Board of Directors, through the promotion of the Integrity Program, expects the consolidation of an ethical, transparent, strong and sustainable organizational culture. For further detail, please consult the "Ethics, Integrity and Compliance" section of this report.

In particular, the Company's Code of Ethics and Conduct, amended in 2019 and approved by the Board of Directors, establishes the corporate ethical values such as: *Acting with Integrity, which is the core value from which all others are derived, Creating Value, Prioritizing Safety, Being Committed to Sustainability, Focusing on the Client and Valuing Gender Equality and Diversity.*

In addition, YPF has Internal Code of Conduct in the context of the capital market, which defines the subjective and objective scopes of application and the conduct rules to be complied with when trading securities and financial instruments of YPF and companies of the group that publicly trade their negotiable instruments. These Regulations also have provisions related to the use insider information, relevant information and transactions in the Company's own securities, conflicts of interest, prior communication and the duty of abstention.

Practice 2. The Board of Directors sets the company's general strategy and approves the strategic plan developed by management. When doing so, the Board of Directors takes into consideration environmental, social and corporate governance factors. The Board of Directors supervises the implementation of the strategy using key performance indicators and taking

affect the day-to-day operation of the company as well as in its long-term decisions. This requires guiding the rest of the employees by example, setting the "tone from the top" so that their behavior inspires and is replicated in all the areas of the company.

In this way, an ethical culture is created to serve as a line of defense in matters of compliance with internal and external rules (Practice 18). This culture can also be reflected in the provisions of the Code of Ethics and Conduct (Practice 22).

into consideration the best interests of the company and all of its shareholders.³

The Board undertakes the Company's administration in a diligent and prudent manner, as a good business person, as defined in the Argentine General Corporations Law No. 19,550 and the CNV Regulations. Therefore, it approves policies and general strategies according to the Company's different needs. In particular, the Board of Directors approves the strategic or business plan, as well as management objectives and annual budgets, and analyzes the investment and financing policy at the time of considering and approving the Annual Budget, considering the context of the respective fiscal year. In this sense, the Board sets the Company's general strategy and approves the strategic plan developed by the management, and, if appropriate, the adjustments deemed necessary according to the context of the Company and the industry it belongs to.

In December 2019, the Board of Directors approved the 2020 Budget.

The Board has timely submitted – from the New York Stock Exchange- its Strategic Plan (“Investor Day”) to several investors, with the participation of the CEO and Senior Managers, leaders of the Company's respective businesses.

Besides, the Company maintains communication channels with its investors, informing them, on a regular basis, about the Company's affairs and other relevant information (Practice 25).

Moreover, the Company communicates in a clear and accurate manner how its strategy is fully connected with all aspects that make up the Company through the Sustainability Report, published on the Company's webpage, to which we make reference to for further information:

https://www.ypf.com/english/TheCompany/Documents/YPF-Sustainability-report-2018.pdf?_ga=2.174127591.475680308.1593795793-1770348499.1581079566

The webpage also informs about the indicators that are contemplated to determine the fulfillment of the Company's strategy.

Besides, the Company joined the Extraction Industries Transparency Initiative (EITI), defined as the global standard for the good governance of oil, gas and mineral resources. YPF is a party – on behalf of the private sector – of the Multi-Stakeholder Group responsible for implementing

³*GUIDANCE: The nature and extent of the Board of Directors involvement in the strategy shall depend on the particular circumstances of the company and the industry or industries in which it operates.*

The Board of Directors and management shall jointly set the instructions and the procedure for the development of the strategy, defining its goals - objectives and the review process. The Board of Directors shall be prepared to ask inquiring questions and to anticipate, rather than to react, to the issues of greatest concern. Management shall collect all possible information to be able to submit to the Board a preliminary strategy, indicating in detail the undertaken assumptions, the goals to be achieved and the according budget. The Board of Directors shall then analyze the execution capacity, assumptions, timing, expected accomplishments and budget of the preliminary proposal, which may be reviewed, discussed and amended in an iterative process with the management as many times as are necessary. The Management shall draft a final version of the strategy and how to achieve it. This strategy shall be later analyzed and approved by the Board of Directors, thus establishing the “Strategic Plan”.

The Board of Directors shall ensure that the Management has taken into consideration the company's vision and mission while formulating the strategy (Practice 1), as well as internal and external risk factors (Practice 17). The role of the Board of Directors does not end with the approval of the plan; it shall constantly monitor the management's execution of said plan, taking into account previously agreed upon key performance indicators. Key performance indicators are the financial and non-financial units of measurement used to estimate the degree of compliance with the objectives. The selection and replacement of directors (Practice 13) shall reflect the company's strategic direction, with remuneration and incentives for the Management (Practice 16) being aligned with the established strategy.

EITI's Initiative in Argentina, composed of representatives of the private and public sectors and civil society.

Regarding selection and replacement of its Directors, they reflect the strategic direction of the Company (see Practice 13). In this respect, the Board has implemented the practice of publishing the proposal for candidates to the Board of Directors, with their respective CVs, to the shareholders, prior to the Shareholders' Meeting, as required under the Capital Markets' Law. With this information, shareholders may analyze the candidate's profile and if he/she meets the qualifications to fulfill the Company's strategy.

Finally, the Board monitors, through its Compensation and Nomination Committee, the alignment of management's compensation and incentives with the strategy defined by the Company. Please refer to Practice 16 of this Report.

Practice 3. The Board of Directors supervises management and ensures that it develops, implements and maintains a suitable internal control system with clear reporting lines.⁴

The Board appoints senior managers, as provided for in the corporate By-laws and Section 270 of the LGS, according to the position they perform. Under the LGS, such executive officers are liable to the Company and third parties for the performance of their duties to the same extent and manner as Directors.

The Board of Directors is directly responsible for the designation of the Company's senior executives, taking into account their professional and technical background. Following their designation, the Company informs of this to the CNV and investors, in compliance with the applicable provisions of the CNV Regulations. Besides, the Company has also a system of

⁴*GUIDANCE: Based on the opportunities/threats, strengths/weaknesses of the company, as well as the mission, vision, strategy and its risks, the Board of Directors shall actively work together with the Management to establish the metrics or parameters by which the administration shall be monitored and considered successful. The Board of Directors shall consider financial and non-financial metrics (executive talent development, innovation, client satisfaction, involvement with the community, etc.), as well as qualitative and quantitative, absolute and relative, and short, medium and long-term metrics.*

The Board of Directors shall hold meetings where only non-executive members (including independent directors) participate on a regular basis. The way to structure them shall depend ultimately on the characteristics of each company. These meetings allow for an open and honest discussion about the performance of management and its proposals regarding strategy and actions that arise therefrom. These meetings shall be carried out without involving people who are managing the company's day-to-day activities, as this would interfere with the ability to provide objective supervision of management performance. The aim of these meetings is to encourage an objective discussion environment, free of work dynamic limitations that could be caused by the presence of directors performing executive tasks. Furthermore, issues should not be submitted to a vote.

Additionally, the decisions of the Board of Directors shall be adopted jointly by all members of the body and follow the rules governing its operation. The board should not take decisions in the meetings mentioned in the guidance section hereof. The assessment of the CEO's performance is key within the management supervision process.

The Board of Directors shall exclude the CEO from all discussions about his/her performance in order to give members of the Board the freedom to express their viewpoints. The results of this discussion may be later evaluated with the CEO. Should the Board of Directors fail to raise the performance of the CEO to the agreed standards to consider management a success, it shall begin to consider the need to replace him/her (Practice 10).

Should the opposite situation occur, that is to say, that the CEO performs his/her duties pursuant to the agreed standards and objectives, the Board of Directors shall still work, together with the CEO on the mentoring, the development and the retention of talents. In addition, he/she should collaborate with the search for potential external replacements in case of an unforeseen event.

The Board of Directors shall also ensure that there is a "first line of defense" reflected in a robust system of internal controls, with clear reporting lines that allow for changes or improvements to be requested and followed upon. The Management (and by delegation of authority, each area manager and employee) is principally responsible for establishing a strong, efficient and effective control system. The Management shall comply with guidelines and standards of best practices for the implementation of these systems.

Management by Objectives in place, which is supplemented by a performance evaluation for senior executives.

The Company's Board of Directors verifies the implementation of its strategies and policies, and the compliance with the annual budget and operations plan, supervising the performance of executive officers and managers. Senior officers keep the Board of Directors regularly informed about the level of compliance with the budget and business plan for the respective period. The Board of Directors regularly monitors senior managers' performance and goal accomplishment through the Compensation and Nomination Committee of the Board of Directors, which is in charge of reporting to the Board of Directors the activity performed (see Practice 16).

Besides, the Board of Directors regularly receives business reports of the Company with relevant information to complement the analysis of senior manager's goal accomplishment.

The Board of Directors also holds meetings without the participation of executive directors and/or persons engaged in the Company's daily activities, for example, through meetings of its several Committees.

For information on the implementation of the Company's lines of defense, please refer to Practices 17 and 18 of this Report.

Practice 4. The Board of Directors designs corporate governance structures and practices, designates the person responsible for its implementation, monitors their effectiveness and suggests changes if necessary.⁵

YPF's Board of Directors leads the Company's corporate governance system with the purpose of coordinating, in an efficient and effective manner, the relations among investors, management, the Board of Directors and its own functioning.

In this respect, and in line with OECD recommended practices, in 2016 the General Regular and Special Shareholders' Meeting held on April 29, 2016, approved the amendment to the Company's By-laws, separating the roles of the President from those of the CEO, among other changes.

⁵GUIDANCE: *The Board of Directors shall ensure that there are duties delegated to a committee of said Board and/or a manager with authority and/or clearly established reporting lines. Should the complexity and scope of the company allow so, this role may fall on the Corporate Secretary, who shall be responsible for formal corporate governance issues. (Practice 9).*

In relation to the committees, depending on the needs and the type of business of the company, there may be different committees organized according to the different issues to be addressed and the areas of knowledge and experience of the Directors (for example: audit, risk, remuneration, ethics and compliance, nominations, corporate governance committees, or a combination thereof).

The Board of Directors shall analyze the relationship between costs and benefits in the implementation of corporate governance practices, processes and structures and, taking into account the principles of flexibility and proportionality, shall safeguard the resources necessary for the implementation of a system of good corporate governance.

At the recommendation of the area or the person responsible for the implementation and monitoring of good corporate governance, the Board of Directors shall, periodically, analyze the evolution of the company and its business, and demand the adaptation and progressive update of the system to the new reality. It is also important to consider that the "best practices" in corporate governance evolve over time and may change in importance or in their implementation. Therefore, the objective of having good corporate governance shall be considered as "best practices at the time of making the decision of its implementation".

Besides, and as provided for in the Regulations of the Board of Directors, the office of the Board's Secretary is held by a Director of the Company, who is also in charge of the Company's Corporate Affairs and Corporate Governance Management Department (see Practice 9).

For information about the creation and functioning of Committees, please refer to Practice 5 of this Report.

Moreover, and in line with good governance practices, the Board of Directors has adopted several measures aimed at their effective compliance. To such end, in 2019 the Board approved and implemented a new Code of Ethics and Conduct of the Company, with clear and comprehensible contents, brief and direct language, as informed in Practices 22, 23 and 24 of this Report, which should be consulted for further information. Any amendment to the Code, as well as any waiver or exception to the compliance of its provisions requires the approval of the Board of Directors.

Also, as part of the corporate governance policies, the Board of Directors approved and implemented the Regulations, which are intended to define the principles and the framework of action, within the scope of capital markets, for the Board of Directors, YPF's staff who are subject thereto, statutory auditors and external advisors. To such end, the Regulations also incorporate the best practices on the matter to contribute to promoting markets transparency and good operation and preserving the legitimate interests of the investment community. The Regulations may be consulted on YPF's webpage in the following link:

<https://www.ypf.com/english/TheCompany/Documents/YPF-S.A.-internal-regulations-for-conduct-in-the-capital-markets.pdf>

Moreover, and in line with the Company's ongoing adoption of measures focused on the best Corporate Governance practices, the Board of Directors made the following decisions:

- It created the Diversity Committee, an inter-disciplinary and cross-organizational committee in order to identify and implement actions leading to improvements in diversity.
- It approved the designation of the Chief Compliance Officer, who reports to the Audit Committee.
- The Company was admitted to the Corporate Governance Plus Panel (Panel +GC) of Bolsas y Mercados Argentinos S.A. (BYMA) to which it was invited to participate. It is a new market segment which will be formed by companies who voluntarily adhere to higher standards of good corporate governance and transparency than those required under Argentine regulations and which commit to their periodic monitoring. Such standards are in line with the corporate governance principles of the Organization for Economic Co-operation and Development (OECD), which were adopted by the G20.
- YPF is among the 15 companies that form part of the first Sustainability Index of the Argentine stock market. Developed by Bolsas y Mercados Argentinos (BYMA), with the collaboration of the Inter-American Development Bank and Thomson Reuters, this index comprises companies that have outstanding performance in sustainability. As of the date of this report, the first rebalancing shows that YPF is still among the first 15 companies composing it.
- The Company has joined the Extractive Industries Transparency Initiative (EITI) (see Practice 2).

Practice 5. The members of the Board of Directors have enough time to exercise their powers professionally and efficiently. The Board of Directors and its committees have clear and formalized rules for its operation and organization; which are disclosed through the company's website.⁶

The Company's Board of Directors does not set any limits for the members of the Board of Directors and/or statutory auditors to perform their duties for entities not belonging to the economic group, of which the Issuer is a leader and /or a member. Moreover, the Board of Directors does not consider it inconvenient for directors and statutory auditors to perform roles as such for other entities if this does not affect performance of their office duties in the Company's bodies.

In this respect, the Board of Directors considers that the experience contributed by its members is highly positive for the Company's management. Therefore, it is the shareholders' intention that the candidates elected for the Board of Directors are individuals of renowned prestige and competence, with local, national and international experience from the most diverse backgrounds from the corporate and public sectors, with diversity in mind.

Under the By-laws, Board of Directors' meetings must be held, at least, on a quarterly basis. In fiscal year 2019, the Board held 14 meetings. The average attendance of Directors to these meetings was 95.24%.

The Board of Directors has the number of committees it deems necessary to accomplish its mission in an effective and efficient manner, to assure the highest efficacy and transparency in the performance of their duties, such as:

⁶*GUIDANCE: The knowledge, experience and conditions of personal integrity and reputation shall be considered when evaluating a candidate for the Board of Directors. Only those who have shown high standards of ethics and integrity both personally and professionally and who can support their decisions in the Board of Directors with well-founded opinions, and be held accountable for them, shall be considered for the Board.*

Directors shall have the responsibility to maintain an almost perfect attendance to Board meetings and committee meetings in which they participate. They should rigorously prepare for each of them by reading the materials they receive, actively participate in the meetings with comments and questions and be able to pay full attention in each meeting. Each director is responsible for requiring the Chairman of the Board of Directors to facilitate the creation of an environment suitable for the aforementioned practices and all the elements necessary to fulfill the duties of the Board.

Another important consideration is the number of commitments each Director has outside of the company. Besides any calendar restrictions that may exist when one has several seats in Boards of Directors or managerial positions that limit the time of preparation, thought and contribution, there are also restrictions in the amount of knowledge that a Director may have. Should one hold several seats, it is possible that they correspond to companies that operate in different businesses or jurisdictions, or that they belong to different industries, all situations that generally require different kinds of knowledge. Thus, the Board of Directors shall have an honest conversation with candidates about the commitment necessary to properly exercise their duties, making the expectations of both parties as transparent as possible.

The Board of Directors shall formalize the rules governing its actions and those of the committees so that its members and the Board of Directors as a whole can understand their roles, duties and responsibilities. One way to achieve that goal is through a charter that includes at least: (i) responsibilities and duties of its members; (ii) work procedures (preparation of the agenda, advanced distribution, quorum, information packet, etc); (iii) size and composition; (iv) duration of the position of the members; and (v) rules of conduct during meetings of the Board of Directors and/or committees.

a) Audit Committee. This body is provided under Law No. 26,831 and the CNV Regulations, which require its creation by Argentine companies that make public offerings of their shares, and which shall be made up of at least three members of the Board of Directors. The Regulations of the Audit Committee shall establish its composition and its functioning rules. Most of the members of the Audit Committee must be independent directors.

Executive Directors may not be members of the Audit Committee.

The powers and duties of the Audit Committee include the following:

- Reviewing, on a regular basis, the preparation of our economic and financial information;
- Reviewing and giving opinions about the Board of Director's proposals for the appointment of external auditors and the renewal, termination and conditions of their appointment;
- Evaluating the performance of the internal and external audit, monitoring our relationship with external auditors and ensuring their independence;
- Providing adequate transparency in relation to transactions in which there is a conflict of interest with the members of corporate committees or controlling shareholders;
- Issuing an opinion on the reasonableness of the proposals brought forth by the Board of Directors regarding fees and stock option plans for the Company's directors and managers;
- Supervising compliance with the applicable rules and regulations, both national and international, for affairs related to the behavior in the stock market; and
- Ensuring that the internal Code of Ethics and Conduct complies with regulatory requirements and is adequate for the Company.

According to its Regulations, the Audit Committee must meet as frequently as necessary, but at least on a quarterly basis.

The Audit Committee must assist the Board in its oversight and audit duties, regularly review our economic and financial information and supervise the financial internal control systems and the independence of external auditors.

As established in its Regulations "The Audit Committee, to the extent allowed by its nature and duties, shall be subject to the provisions of the Regulations of the Board of Directors related to its functioning". In this respect, in 2019 this Committee held 15 formal meetings, with an average attendance of 91.11% of its members.

b) Strategy and Transformation Committee: It is a committee of the Board of Directors, created to discuss issues related to the Company's medium and long-term strategies, act as liaison between the Board of Directors, the Executive Management Committee and Company executives who are its members, with the purpose of facilitating and expediting the internal treatment of the Company's global business development strategies; promote and thoroughly review the Company's transformation agenda, covering aspects related to excellence and the industry's best operational practices, the commercial agenda, revising its organization with special focus on the customer, the Company's digitalization and technological renewal agenda

and the renewal of the support areas with central focus on cultural change in the human resources area. This Committee also decides, in the event of unforeseen and emergency situations, the approval of the Company's necessary operations and/or management proceedings. It is currently composed of 4 directors, chairmen of the other Board of Director's committees.

In accordance with its Regulations, the Strategy Committee "shall meet at least as often as the Board of Directors and any time it is necessary". The Committee revised the Budget for 2019 and the 2019-2023 Strategic Plan on the occasions it deemed it necessary prior to its consideration by the Board of Directors, in compliance with its Regulations and with the full attendance of its members.

c) Compensation and Nomination Committee. It is a committee of the Board of Directors created taking into account local and international market in corporate governance practices, for the purpose of evaluating and establishing compensation guidelines for the CEO and senior managers of the Company. It may be composed of up to five regular directors. Today it is composed of three Directors, all of them independent, in compliance with the CNV Regulations. Since 2016, this committee's roles also include the review and approval of general policies related to Compensation and Benefits and Talent Management, with the purpose of assuring the recruitment, development, commitment and retention of the Company's talent.

In compliance with its Regulations, the Compensation and Nomination Committee "shall meet at least four (4) times a year and whenever it is necessary at the request of any of its members". Therefore, in 2019, the members of this Committee held 7 formal meetings, with an average attendance of 97.14%.

d) Risk and Sustainability Committee. It is a committee of the Board of Directors created for the purpose of establishing comprehensive management policies for business risks and monitoring their adequate implementation, identifying and evaluating the principal risk factors that are specific to the Company and/or its activity, monitoring risks and implementing the respective mitigation actions, as well as promoting the best practices in sustainability, setting objectives, plans, targets and measurement tools across the organization, which require regular performance review and continuous improvement mechanisms, among other functions. This body may be composed of up to 5 regular Board members, and is currently made up by 4 Board members.

The Committee regularly receives reports from the Risk Management Department, the Sustainability Management Department and the Vice Presidency of Environment, Security and Health (MASS, for its acronym in Spanish).

In compliance with its Regulations, the Risk and Sustainability Committee "shall meet at least twice a year and whenever it is required by any of its members." In 2019, the members of this Committee held 7 formal meetings, with an average attendance of 97.14%.

e) Legal and Institutional Affairs' Committee. It is committee of the Board of Directors' created to supervise management and analyze the strategy of the main pre-court, arbitration and court conflicts of YPF and its associates, among other duties. Today it is made up of 3 Board members.

In compliance with its Regulations, the Legal and Institutional Affairs Committee "shall meet at least twice a year and whenever it is required by any of its Regular Members". In 2019, the Committee members held 10 formal meetings, with an average attendance of 100%.

Besides, two other Committees were created integrated by the Company's Senior Managers and also by those who, given their duties, are required to form part thereof:

- a) **Transparency Committee.** This is an internal committee, also referred to as "Disclosure Committee" by the SEC, created by the Board of Directors for the purpose of boosting and reinforcing the Company's determined policy under which the information disclosed to its shareholders, the markets where YPF shares are listed and the regulatory entities of said markets should be true and complete, adequately reflect its financial position as well as the results of its activities, and should be communicated in compliance with the terms and other requirements of the applicable standards and general principles of market operation and good governance undertaken by the Company. It is an action recommended by the SEC under the Sarbanes Oxley Act.

The Committee is formed by first line executives of our Company and by those officers the Company deems convenient by reason of their functions. Its members are the Chief Executive Officer ("CEO"), the Controller (Committee's Chairman), the Chief Financial Officer ("CFO"), the Legal Affairs Corporate Vice President (Committee's Secretary), the Upstream Executive Vice President, the Downstream Executive Vice President, the Gas and Energy Executive Vice President, the Operations and Transformation Executive Vice President, the Strategy and Business Development Vice President, the Corporate Affairs Communications and Marketing Executive Vice President, the Human Resources Vice President, the Supply Chain Vice President, the Environment, Security and Health Vice President and the Internal and Reserves Auditors and the Executive Manager of Technology and Innovation.

- b) **Ethics Committee.** This committee was created by the Board of Directors and is responsible for implementing the Code of Ethics and Conduct, assessing and establishing the actions required to address the situations reported.

It is formed by six members, four of which serve as Internal Auditor, Legal Affairs Corporate Vice President and Human Resources Vice President, while the other two are appointed by the Chairman of the Board of Directors of YPF S.A. from among its employees discharging functions in operative or business areas.

Besides, each of the Committees described above have their respective Regulations, which are published on YPF's webpage, which may be consulted for further information:

<https://www.ypf.com/english/investors/Corporate-governance/Paginas/Board-Committees.aspx>

Attendance of directors to Board of Directors' Meetings is recorded in the Board of Directors' meeting minutes. Also, in compliance with the applicable regulations, directors may participate at meetings remotely, by video-conference, which simplifies communication and contact among directors, within a context of a permanently connected globalized world.

Directors may get prepared in advance to deal with the topics to be considered at the respective meeting, since – by the technological means available – they receive the information related to each issue, as provided for in the regulations ruling their body, which in turn ensures the confidentiality of access and treatment of the information (see Practice 6).

Besides, directors may make all questions and comments required to fully understand the issue submitted to their analysis. Relevant participations are recorded in the respective meeting minutes, which under the LGS, constitute a summary of meeting deliberations.

B) CHAIRMANSHIP OF THE BOARD OF DIRECTORS AND CORPORATE SECRETARY

Principios

- VI. The Chairman of the Board of Directors is in charge of overseeing the effective fulfillment of the Board's functions and of leading its members. The Chairman shall create a positive working dynamic and shall promote the constructive participation of its members, as well as ensuring that members have the elements and information necessary to make decisions. This also applies to each Committee Chairman of the Board of Directors in regard to the work that corresponds to them.
- VII. The Chairman of the Board of Directors shall lead processes and set structures that ensure the commitment, objectivity and competence of the members of the Board of Directors, as well as the best performance of the Board as a whole and its evolution pursuant to the needs of the company.
- VIII. The Chairman of the Board of Directors shall oversee that the whole Board of Directors is involved and is responsible for the succession of the CEO.

Practice 6. The Chairman of the Board of Directors is responsible for the good organization of Board meetings, prepares the agenda ensuring collaboration from all other members and ensures that they receive all necessary materials in due time to participate in meetings in an effective and informed way. The Committees' Chairmen have the same responsibilities regarding their meetings.⁷

The Chairman of the Board of Directors directs and organizes Board meetings, coordinating their dates sufficiently in advance for its members to get better organized. ~~He/she is~~ also responsible for obtaining and sending of information on the subjects to be dealt with by the Board of Directors. In this respect, the Chairmen of Board of Directors' committees, the CEO and the President prepare regular reports which they submit to the Board of Directors on occasion of Board meetings. Besides, the Vice Presidents of the different business units submit the issues

⁷*GUIDANCE: The Chairman shall have the responsibility to direct and organize the meetings of the Board of Directors and Shareholders' Meetings. To do so, the Chairman may receive the assistance of the Corporate Secretary (Practice 9). The Chairman must make sure that Directors are called to the meeting early enough and that they receive the agenda together with the call. He shall send to Directors and Shareholders complete, clear and concise information packages early enough so that they can be duly informed to participate in meetings. Finally, it should also guarantee that minutes are taken which reflect the discussions and making of decisions.*

required to be considered by the Board of Directors for its authorization in each case.

The Chairman also makes the necessary arrangements to organize and hold the Shareholders' Meetings of the Company.

In such duties, the Chairman is assisted by the Corporate Secretary, who, among other roles, is responsible for coordinating Board of Directors' meetings, sending the items of the agenda with the anticipation established in the Regulations of the Board of Directors and in compliance with the best practices, sending the information to be considered by the Board of Directors at the respective meeting, managing the information systems allowing for quick and secure access to the information to be discussed, coordinating the communication between the Board of Directors and the management to answer the necessary questions related to the Company's management affairs.

The members of the Board of Directors comply with the provisions of the Corporate By-laws and its Regulations ruling its operation, whose main guidelines are as follows:

- Meetings shall be held, at least, on a quarterly basis, and any changes may be made by the Chairman with justified reasons and sufficient prior notice.
- Provisions are included related to the place of meetings and notice of call to members of the Board, which may be given by letter, telegram, fax or e-mail sent to each of the Directors at least 48 hours before the date of the meeting, including the meeting agenda.
- The information required to discuss the items of the agenda will be distributed in advance to the meeting.
- Provisions are included related to quorum, conduct of meetings, leaves, drafting of minutes and duties and appointment of the Board of Directors' Secretary.

In addition, the Regulations contain provisions related to the operation and powers of the Audit Committee.

The Regulations of the Board of Directors and the Audit Committee are published on the Company's webpage and may be consulted at:

<https://www.ypf.com/english/investors/Corporate-governance/Comite/BoD-Regulations.pdf>

Practice 7. The Chairman of the Board of Directors oversees the correct internal operation of the Board of Directors by implementing formal proceedings of annual evaluation.⁸

⁸**GUIDANCE:** *The Board of Directors shall periodically assess its own performance as a body, as well as the performance of each of its individual members and committees.*

The Board of Directors shall set in the evaluation all performance standards that enable the assessment of its own working. Although shareholders may express their opinion about directors through the processes of election and removal of directors, this mechanism does not offer the opportunity of improvement. On the contrary, the evaluation of the Board of Directors has a positive effect when answering questions such as "who is the guardian of the guardians?" since it establishes the bases for the "guardians" to have a self-reflection that contributes to the communication and development of improvements. This contributes to a better performance of said body and the company. Furthermore, it sends a clear and strong sense of responsibility to shareholders. The evaluation of the Board of Directors also has a psychological effect on Directors, since the evaluation increases their awareness of their roles, duties and responsibilities for which they are remunerated.

In 2018, YPF's Board of Directors decided the implementation of a self-evaluation process for 2019, with the previous training of its members, within the framework of the ongoing improvement in corporate governance practices to which it is committed.

This involves regularly monitoring and ensuring its own effectiveness and the performance of its duties; management professionalization; planning and organization; alignment with the OECD and G20 Principles, the best international practices in corporate governance, and the recommendations issued by the Argentine Securities and Exchange Commission.

The self-evaluation was conducted covering three dimensions: the functioning of the Board of Directors as a body, its committees and each director individually. The aspects evaluated included, among other things, the quality of the risk monitoring and management role; the quality of the strategic and business advice; the dynamics of the Board of Directors and the proactive participation of its members, as well as its composition and diversity. The Corporate Secretary and the Chairman of the Board were in charge of implementing this process.

The self-evaluation of the Board of Directors was carried out in October and November 2019. It was designed with the advice of external experts on the subject. The members of the Board of Directors answered several questions under strict confidentiality, and through technological tools that facilitate the analysis and processing of data by the Board of Directors' Secretary, the results and the quantitative and qualitative conclusions were obtained, which will be used to design and implement future improvements.

With the implementation of this process, the functioning of the Board of Directors can be monitored regularly, in order to ensure its efficiency and the fulfillment of its duties, as well as to professionalize its management, among other issues, all of which follow the best corporate governance practices in line with the best practices. This is also a requirement of the ByMA Corporate Governance Panel - of which the company is a party -, the CNV Standards, and the NYSE Listing Regulations.

At the end of 2019, The Board of Directors was informed of the results of such self-evaluation and concluded that the operation and effectiveness of the Board of Directors of YPF S.A. is satisfactory and entrusted the Corporate Secretary with the preparation and implementation of improvement proposals for the year 2020 based on the results obtained under the Corporate Governance Continuous Improvement Plan, in compliance with the instructions of the Chairman of the Board of Directors.

Notwithstanding the above, the General Shareholder's Meeting is responsible for assessing the Board of Directors' performance pursuant to the provisions of the LGS and the Corporate By-laws. Therefore, the Board of Directors self evaluation corresponding to fiscal year ended on December 31, 2019 will also be considered at the next General Shareholders' Meeting to be called on a timely basis. On the other hand, all the resolutions of the Board of Directors are recorded in the Minutes book of such body and account for its performance in the administration and management of the Company.

There are different methodologies for carrying out these evaluations, such as self-evaluation or evaluation assisted by external assessors, which shall be applicable depending on the characteristics of the Board of Directors, the objectives to be achieved and the particular situation of the Company at the time. For example, after conducting a self-evaluation for two consecutive years, the Board of Directors may find greater benefits by involving an external assessor that allows it to conduct the process with greater objectivity in the next assessment. It is important that rules be set in advance of the assessment process. The Board of Directors may disclose details about the evaluation process, but shall maintain confidentiality regarding the answers of each member and the discussions carried out through the process.

Besides, the Company's Audit Committee performs a self-evaluation of its performance on an annual basis and submits its result for consideration of the Board of Directors, in compliance with the regulations applicable to this mandatory committee both under the local and United States law.

Practice 8. The Chairman builds a positive and constructive work environment for all the members of the Board of Directors and ensures that they all receive constant training in order to keep themselves up to date and to be able to duly fulfill their duties.⁹

The Company assures the availability of relevant information for the Board of Directors' decision-making process, pursuant to rules and regulations in force, its Corporate By-Laws and the Regulations of the Board of Directors. This achieved thanks to the Company's technological resources allowing Directors' access to the relevant information safely, symmetrically and sufficiently in advance allowing for the proper analysis of its content. Besides, the Corporate By-Laws in its article 15 establishes that Board of Directors' meetings shall be called by written notice specifying the meeting agenda and the Regulations of the Board of Directors provide that such call shall be made at least 48 hours prior to the date of the meeting, with certain exceptions when urgent matters need to be dealt with (see Practice 6). Furthermore, management lines make presentations, answer inquiries or provide information requested by Directors at Board meetings.

The issues submitted to Board consideration are accompanied by a risk analysis prepared by the pertinent area, taking into account the risk level deemed acceptable by the Issuer.

Besides, the Company has internal policies in place for authorizing and delegating management-related issues which allow the Board of Directors to be better organized to consider the relevant matters, in compliance with the applicable rules.

In relation to Board of Directors' training, the Chairman of the Board ensures that Board members receive continuous training in line with the Company's activity, for them to be able to perform their duties effectively. To such end, they are regularly trained on responsibilities specific to their role within the Board of Directors and other issues common to the whole Company. This is designed by the Company's Corporate Governance area, in agreement with the Company's President.

⁹*GUIDANCE: The effectiveness of a Board of Directors depends mainly on the commitment and competence of its individual members, its ability to work as a group and the understanding of its fiduciary duties.*

The Chairman is the leader of the Board of Directors and shall ensure that its environment be ordered, aimed at fostering dialogue and constructive criticism, where all members feel comfortable and sufficiently informed so as to express their opinion.

In this framework, the Board of Directors and the Management shall work together to define the timeframe, type and amount of information to be provided to the Board in advance. The Board of Directors shall also receive information about critical issues for the company's strategy that go beyond frequent financial or management indicators. Some examples are topics such as innovation, research and product development, talent development, workplace health and safety or the expectations of different stakeholders. Once the information has been received, the members of the Board shall be able to understand and analyze this information in order to exercise their duties and/or be willing to follow training sessions and keep up to date to contribute to discussions.

The Chairman shall thus ensure the existence of an annual training program for the Board of Directors financed by the company. The topics will not only be linked to the company's existing needs, but also to the role and responsibilities of the Board of Directors (comprehensive management of business risks, specific knowledge of the business and its regulations, the dynamics of corporate governance and issues related to sustainability and corporate social responsibility, among others). The program may include training members of a specific committee, such as the Audit Committee, where international accounting rules, audit and internal control rules and specific capital market regulations should be discussed.

For example, in 2019 the members of the Board of Directors received training on issues related to corporate governance, risks, sustainability and compliance.

Also, the Board promotes training of management lines, which were also trained on such topics in 2019.

The Board of Directors considers that leaders play a key role in the Company's Transformation process. In 2018, the Leader's profile was defined, which describes the capabilities required to accelerate Transformation, and 4 dimensions were approved: Leadership of Results, Strategic Leadership, Leadership of People and Leadership of Oneself.

Leadership Programs are aimed at strengthening and enhancing these competencies, generating learning spaces and building peer networks.

To provide training on Strategic Leadership and Leadership of Results, the Company has Integrated Management Programs (IMP) for heads and Business Management Programs (BMP) for managers. Both training programs are administered in collaboration with well-prestigious universities: Universidad Di Tella in IMP and Universidad de Buenos Aires (FCE) and the I.A.E in BMP.

The dimensions of Leadership of People and Leadership of Oneself are trained through the Motivational Leader Programs for heads with subordinate staff and the Inspirational Leader Program for managers. Both seek to strengthen the competencies of leadership, team development and business management, in accordance with the respective role.

In 2019, two new training programs were incorporated. On the one hand, the Exponential and Adaptive Leadership Program (LEA, for its acronym in Spanish) addressed to executives, is intended to reinforce the development of the role required for transformation. The program is given jointly by Von der Heide, specialized consultant, and the I.A.E. Business School.

On the other hand, the Leaders in Action Program, addressed to supervisors, was designed to develop behaviors that allow supervisors to grow in their role, while enhancing it.

In 2019, the Company worked with special focus on the development of this new leader role required by the profile. From Human Resources, training was provided to all businesses through the "Leader's role workshop". This workshop introduced the leader's agenda, setting the axis for action on the Leadership of those who meet the profile requirements, turning the leader into the protagonist of his/her team management in daily matters. In turn, each stage of the agenda has a specific associated workshop to which leaders are invited in order to learn, deepen and exercise how this issue is developed in YPF.

Also, over the year, different leadership support initiatives were undertaken:

- Harvard Managementor: Online self-learning platform developed by Harvard Business, consisting of 12 online courses on leadership and management skills in Spanish. Each course features videos, reading material and infographics, takes about 2 or 3 hours, and each user can complete it at its own pace.
- Inspirational speeches: different speakers are invited to share a space for issues related to leadership with the leaders' team. In 2019, the "Singularity University" lecture was given to executives, focused on building leadership awareness in this era, as well as the

“Leading in Uncertainty” talk addressed to the whole leadership team.

In order to reach all employees, the Company decided to change its training model and style into a Learning Experience for the employee, by means of specific improvements in processes, technology and platforms, digitalization of contents, organization and a Community of learning facilitators. These new approaches made the experience more accessible, customized, friendly and intuitive. The facilitators’ community is composed of technical referents and internal trainers of the different businesses, who intent to build a collaborative space for best practices and lessons learnt, and to convey and capitalize the cross-business knowledge acquired.

As part of these changes, the new language learning method was launched in a platform that offers the course by level but adjusted and customized to the student’s interests. The system makes proposals through Artificial Intelligence (AI) and the participant may take 24x7 lessons when desired.

As most of the training catalogue is face-to-face, the Content Digitalization Project was developed. A great number of courses were digitalized, which rapidly increased access to contents and accelerated the learning process, everywhere and anytime. The Company used state-of-the art educational technology, such as simulators, virtual reality, augmented reality, gamification, e-learning with 2D and 3D animations, avatar.

In 2019, the Company worked on defining and developing the Project known as Learning Experience Platform (LEP, for its acronym in Spanish), which searches a digital learning cognitive platform (through AI), which will make the employee become the protagonist of his/her own self-development, for example, he/she will create his/her own learning paths.

Efforts were also made for the work environment to become increasingly inclusive in terms of diversity and gender. To boost this change, the Company facilitated spaces for reflection on the challenges and opportunities of this new context and how to take advantage of the possibilities presented through the Building the Inclusion Culture Workshops.

Also, Hiring Bias workshops were organized for the Recruitment team, the HRBP team and a group of leaders, and inspirational talks were organized on Diversity and Inclusion, to which external speakers were invited to share their life experiences and stories:

- *“Inspirational Women”* where a pilot, a truck driver and a prison director shared their stories of female leadership in jobs considered by society as male jobs.
- *“The importance of a culture of diversity”* in which the leaders of the firms AVON, Orazul Energy and Arredo explained how they encourage a more inclusive culture in their companies.
- *“Tolerance as the fundamental basis for diversity”* with the participation of speakers of CIPPEC (Center for the Implementation of Public Policies Promoting Equity and Growth) and UN Women.

Finally, in 2019, a workshop was organized on issues related to Corporate Governance, Risks, Sustainability and Compliance for Senior Managers of the Company. The training sessions were led by the Managers responsible for their relevant Corporate Governance, Risks, Sustainability and Compliance areas.

Practice 9. The Corporate Secretary supports the Chairman of the Board in the effective administration of the Board of Directors and collaborates in the communication between

shareholders, Board of Directors and management.¹⁰

In compliance with the Regulations of the Board of Directors¹¹, all matters related to the Company's corporate governance are handled the Corporate Secretary's Office, reporting to Corporate Affairs and Corporate Governance Manager of the Corporate Vice Presidency of Legal Services, which has a specialized team of professionals. The same person also performs the duties of Company's Audit Committee Secretary.

The Corporate Secretary's role includes, among other duties, providing support to the Chairman of the Board of Directors in connection with in his/her interaction with Directors, between Directors and Management, and between the Board of Directors and shareholders. The Corporate Secretary also provides ongoing technical support in supervising the organization of the corporate governance structure, proposing improvements aligned with best corporate governance practices (see Practice 7).

In this respect, in order to better organize Board of Directors' meetings, and in compliance with the existing internal procedures, the Corporate Secretary requests senior managers (all Vice Presidents) to inform sufficiently in advance the issues to be considered by the Board of Directors.

Once the information is received, it is analyzed and revised to check if it contains all the elements necessary for the Board of Directors to make a decision on such respect. Then, the information is sent by the electronic means specifically established to send information to the Board of Directors, which ensure information security and confidentiality.

The Corporate Secretary also drafts the minutes of the various corporate bodies of the Company, in compliance with the LGS, including the minutes of Board of Directors' committees.

Additionally, the Secretary leads the induction process of new directors, providing specific training on YPF S.A. and their duties as Board members, as well as delivering the Company's relevant corporate information.

¹⁰*GUIDANCE: The duty of the Corporate Secretary may be performed by an individual or through a department, depending on the size and needs of the company. The person in charge of this function shall have legal or financial knowledge of the business and the industry in which the company operates.*

This administrative and organizational function is key for the efficiency and effectiveness of Board meetings when supporting its members -and above all the Chairman- to carry out their tasks and responsibilities, delegating to the Corporate Secretary other duties of an administrative nature that could take time away from their main role. For example, they may be in charge of coordinating the collection of information and submitting it in due time and in a clear and concise way so as to ease Directors' preparation in order to simplify plenary or committee meetings; take detailed notes that, after circulating them for corrections, make up the minutes; lead the introduction of new members of the Board of Directors to their position through the development of an orientation program (Practice 14); collaborate in the regular assessment of the Board of Directors (Practice 7); collaborate in the professional training of members of the Board of Directors (Practice 8); among others.

It shall also assist in maintaining bridges of communication and information among members of the Board of Directors, between the Directors and the Management, the company and its investors, and the company and its stakeholders. For example, it may be in charge of organizing Shareholders' Meetings and of ensuring the registration of Shareholders and the participation of all directors in said meeting; assist in the drafting of annual and sustainability reports; guide the Board of Directors in the development and implementation of stakeholder engagement plans, among others.

The Corporate Secretary shall report to and be responsible before the Board of Directors for their duties and keep a fluid communication line with the Management. Due to the legal nature of some of its duties, companies often combine the role of the Corporate Secretary with that of the leader of the Legal Department. In that case, it shall be ensured that there is not a conflict between duties, in such a way that the Board of Directors continues to receive unbiased and independent advice.

¹¹Published on the Company's webpage.

Regarding the Board of Directors' self-assessment, in 2019 the Corporate Secretary, together with the Chairman of the Board, carried out the implementation of the Board of Directors' self-assessment process (see Practice 7).

In relation to Board of Directors' training, the Corporate Secretary's Office regularly evaluates which subjects contribute to improving the qualifications of the members of the Board of Directors, consequently organizing their inclusion in the course of the year, either in training sessions given by external or internal specialists.

Regarding the arrangement of Shareholders' Meetings, the Corporate Secretary is responsible for coordinating and complying with all the formalities required to hold shareholders' meetings together with the Chairman of the Board, gathering all the necessary information to such end, as well as publishing all the legally relevant information for the shareholders, through the CNV Financial Information Highway (AIF, for its acronym in Spanish), on the Company's and the SEC's website.

Finally, the Corporate Secretary supports the Chairman of the Board in relation to the different initiatives considered relevant in terms of best corporate governance practices, such as the EITI Initiative that promotes transparency (see Practice 2), participating at the meetings of the Multi-Stakeholder Group on behalf of the Company together with the officer responsible for YPF's Sustainability Management Department.

Practice 10. The Chairman of the Board of Directors ensures the participation of all the members of the Board of Directors in the development and approval of a succession plan for the company's CEO.¹²

¹²*GUIDANCE: The selection, development and retention of ideal leadership for the company is one of the main responsibilities of the Board of Directors. The Chairman of the Board of Directors, as leader of the body, shall ensure that all its members are involved in the development and formalizing of a succession plan for the CEO. This should be a collaborative process with the entire management.*

A company's CEO has a fundamental role in the direction of management and is in charge of the day-to-day supervision and administration of all managerial and operational levels.

The long or sudden absence of a CEO to guide the company can create a power vacuum and absence of power that can cause serious financial, reputational, and operational damages. Directors are often unprepared for scenarios of change in the CEO either because of the death of an incumbent, unexpected job offers, or simply because the manager's performance is not the one desired, to name a few. Moreover, the Board of Director's reticence to administer a competition among potential internal candidates may result in the loss of other valuable talents and critical positions within the corporate organization chart. Therefore, faced with the possibility of a vacancy arising for any reason, there shall be a succession process adapted to the company's current vision and business strategy.

The Board of Directors should ensure that potential candidates are identified, that their abilities and deficiencies are assessed, and that their ongoing commitment is enhanced. The Board should also know when to make changes in the company's administration. The Board of Directors may delegate these duties to one of its Committees with the support of the company's human resources department. The succession plan for the CEO must be formal and its purpose establish an ongoing search system to find the right leader for the company at that moment. In turn, it is the CEO who shall attract and develop future managers, and foster an institution rich in talents. The Board of Directors shall be the one to maintain an open line of access to high-level management positions for those candidates.

Besides the unexpected cases of vacancies in general management, the Board of Directors shall take the performance evaluation of the CEO as an indispensable tool for the development of a good succession plan (Practice 3).

A special situation occurs when the CEO position is unified with the same person performing the role of Chairman of the Board of Directors. This scenario can be useful since the person performing such a dual-role shall have a better knowledge of the company's day-to-day operations and shall be in a better position to identify problems and provide solutions faster and more efficiently. However, potential conflicts of interest may arise in terms of supervision and succession. For this reason, whether the aforementioned roles are unified in the same person or not, it is important that the functions and responsibilities of the Chairman and the CEO be clearly defined and be disclosed to all investors (for example by identifying the functions in the Board Charter - Practice 5). Furthermore, the Board of Directors shall maintain the responsibility for supervising and securing the drafting of and compliance with the succession plan.

The supervision of succession plans of senior officers, including the CEO, is carried out by the Compensation and Nomination Committee and the Human Resources Vice Presidency based on the qualifications required for the respective office.

Besides, the Board of Directors is empowered to appoint senior officers (please refer to Practice 12).

On the other hand, as mentioned above, the roles of the Chairman of the Board of Directors and the CEO are separated, as provided for in the Corporate By-laws, pursuant to the last amendment approved at the General Annual Shareholders' Meeting of 2016, in line with the OECD's recommendations.

C) COMPOSITION, NOMINATION AND SUCCESSION OF THE BOARD OF DIRECTORS

Principles

- IX. The Board of Directors shall have suitable levels of independence and diversity that enable decision making in the company's best interest, thus avoiding groupthink and decision making by dominant individuals or groups within the Board.
- X. The Board of Directors shall guarantee that the company has formal proceedings for the proposal and nomination of candidates to hold office in the Board within the framework of a succession plan.

Practice 11. The Board of Directors has at least two members that have an independent nature pursuant to the criteria in force set by the CNV.¹³

The Shareholders' Meeting appoints directors, who inform if they are independent or non-independent, as required under Law No. 26,831 and the CNV Regulations.

At present, YPF has twelve (12) regular directors – eleven (11) independent and eight (8) alternate, of which three (3) are independent and five (5) of them being employees. This number of directors has been deemed appropriate and consistent with the size of the Company, and their appointment complies with the limits established in the Corporate By-laws and the LGS.

¹³*GUIDANCE: The Board of Directors, when thinking about its composition to suggest names of possible candidates to the shareholders meeting, shall search for a balance among executive, non-executive and independent members in order to allow for a combination of objectivity and knowledge of the business to benefit the decision-making process. Companies benefit from structures and practices that provide leadership in the Board which is distinct from the daily administration. Even more, management members shall always be available to be requested to take part in Board meetings and to give advice on areas in which they work or specialize. Although the issue about the independence of Board members is highly regulated, it is important to highlight that the role of an independent director is the same role as that of any other director, and that their duty is not limited to being an Audit Committee member in the case that they would have been appointed for said position. The presence of independent directors is also important in companies that have only taken debt in the capital markets. As any other director, who should try to maintain an objective judgment regarding management, an independent director has the obligation to maintain its independence not only pursuant to the regulator's definition but also regarding every aspect that may affect their objective judgment (such as friendship, for example). This is key in finding a balance between the different interests that affect a company (for example, bondholders' interest), monitoring management performance and preventing conflicts of interest.*

It should be mentioned that under our Corporate By-laws, the Argentine Government, the single holder of Class A shares, is entitled to appoint one regular director and one alternate director.

The number of executive, external and independent members of the Board of Directors, as defined in the CNV Regulations, is proportional to the Issuer's capital structure since, out of the 12 regular members of the Board of Directors, 11 are independent, representing a 91.67% of the total number of regular members of this body.

Even though this year shareholders did not adopt, through a General Shareholders' Meeting, a policy aimed at maintaining a proportion of at least 20% independent members over the total number of Board members, as informed in the previous section, the Shareholders' Meeting appoints independent and non-independent directors in compliance with Law No. 26,831 and the CNV Regulations. At present, 91.67% of the total number of regular Board of Directors' members is independent, in accordance with the appointment of authorities decided at the General Shareholders' Meeting held on April 26, 2019.

The independence of Board of Director's members was not questioned in the course of the year.

Besides, several Board members considered it appropriate to abstain from voting on the resolutions of this body, since they could be reached by the resolution submitted to consideration.

Practice 12. The company has a Nominations Committee made up of at least three (3) members and its Chairman is an independent Director. Should the Chairman of the Board of Directors also be the Chairman of the Appointment Committee, said Chairman shall abstain from participating in the appointment of their own successor.¹⁴

The Company has a Compensation and Nomination Committee that is currently made up of three (3) regular Board members who are independent, including its Chairman. The Committee is responsible for setting the recruitment and retention policies for senior executives with the purpose of contributing to the Company's competitiveness in the market; recommending and/or approving the terms of employment contracts for the Company's executive officers, the retirement and severance programs and other matters related to their compensations and conducting the analysis and surveys entrusted to it by the Board in relation to the selection, retention and compensation of executive officers. The Committee meets at least four (4) times a year and any time it is necessary at the request of any of its members.

Moreover, even though this Committee may make recommendations to the Shareholders' Meeting regarding the appointment of qualified individuals to serve as Board members pursuant to the Corporate By-laws, such appointment is in the hands of the Shareholders' Meeting according to the rules and regulations in force (see Practice 2).

The Board of Directors has the power to appoint the Vice Presidents or senior managers pursuant to the By-laws, taking into account the CEO's proposal and considering the

¹⁴GUIDANCE: The Shareholders Meeting is the body that appoints the members of the Board of Directors. However, the Board of Directors shall be able to give a non-binding opinion regarding the profiles of the candidates to hold positions in the Board. The Board of Directors shall guarantee that decisions regarding the nomination and selection of the members of the Board be made in an objective manner and without being subject to personal relationships with managers or future colleagues in the Board. For this reason, the structure of the Nominations Committee that shall help the Board of Directors in this task, requires a leadership that promotes better performance, objectivity and independence.

recommendation of the Compensation and Nomination Committee and the Human Resources Vice President.

Practice 13. The Board of Directors, through the Nominations Committee, develops a succession plan for its members that guides the preselection process of candidates to fill vacancies and takes into consideration the non-binding recommendations made by its members, the CEO and the Shareholders.¹⁵

The Company considers that the composition of the Company's Board of Directors reflects diversity of experiences and the required qualifications to manage the Company's affairs.

This is evidenced by the curriculum vitae of Board of Directors' members, which are available on the Issuer's website, in the "All about YPF –Authorities" section.

Regarding gender diversity, at present the Board of Directors is composed of two women, out of a total number of 12 members. Today, it is also a requirement of the ByMA Corporate Governance Panel – of which the company is a party - that the Issuer's Board of Directors should be made up by persons of both genders.

YPF is a company that represents different and countless ideas, experiences and contexts, and is committed to respecting and valuing the contribution of each of its employees.

We believe that our commitment to encouraging inclusion, gender equality and equal opportunities in order to stimulate diversity and integration for our people, not only creates a more representative workforce, but also builds a more successful and profitable company, generates a positive impact on those with whom we interact, and contributes to building a more inclusive society.

Since 2017, YPF's Diversity Committee, integrated by a multidisciplinary team, represents the company's main cross-sectional areas. Its mission is to promote a culture of diversity and gender

¹⁵*GUIDANCE: The composition of the Board of Directors is a key element of good corporate governance. A good composition is the result of the combination of the experiences and abilities of all the members of the Board of Directors. Provided that they are in line with the company's needs and are relevant to its business and strategy. The Board of Directors is the best positioned body to determine what those experiences and abilities are, and their best combination overtime as the company faces different challenges.*

The Board of Directors shall actively promote the shaping of a diverse Board, considering diversity of gender, geographic origin, age, ethnicity and professional experience. Diversity brings out critical features that are often missing in homogeneous groups where "groupthink" is generally present, such as the ability to lead changes, to use different emotional intelligence, or the willingness to learn new trends.

In terms of gender diversity, it is especially important that the company considers not only the composition of the Board of Directors but also the equal remuneration of its members and the possibility for women to have access to leadership positions in the Board, such as the chairmanship of said body or any of its committees. Transparency and disclosure in terms of diversity in the Board of Directors are important elements for investors and show the body's professionalization (Practice 25).

Gender diversity within the Board expands the available talent base to keep its operation updated and professionalized. Diversity and a culture of inclusion enhance the analysis, discussion and processes of decision making (facing questioning and heterogeneous proposals), talent attraction (Practice 3), strategy development (Practice 2), risk governance (Practice 17) and management supervision (Practice 3).

The Nominations Committee shall be able to develop a matrix to detail the abilities and experiences of all current members of the Board. It should also be able to identify the weaknesses and the needs of the business, its risks and the strategy. This shall serve as the starting point for having a professional and independent succession plan for directors. The Nominations Committee shall propose to the Board the candidates to occupy vacant positions, provide a well-founded opinion about them, define the qualifications that the candidates should meet to hold each position (for example, if he or she should be part of a committee) and draft the procedures for the nomination of new members.

equality at YPF.

We are one of the five leading companies driving the National Government Gender Equality Initiative with the support of the Inter-American Development Bank (IDB) and the World Economic Forum (WEF). In this context, in 2019, we conducted the referential self-diagnosis Occupational Quality Management in order to qualify to obtain the IRAM Certification for Gender Equality.

We have a five-year action plan in place that includes projects to stimulate and guarantee diversity, gender equality and inclusion for our people, clients and providers. With the purpose of naturalizing processes and actions, we plan to gradually extend and broaden the scope of the plan:

2018	Begin;	2019	Create	awareness;	
2020	Expand;	2021	Change;	2022	Naturalize.

In 2019, we have been moving forward, focusing on creating awareness. This meant delving deeper along the path taken, making progress on new initiatives, and broadening the perspective and scope, focusing on three big axes:

Gender Equality

To remove barriers related to the admission, participation, promotion, compensation and recognition that hinder equity and equal opportunities.

Diversity

To promote equal opportunities at YPF, its value chain and associate companies. Be a point of reference for the community and customers.

Inclusion

To promote engagement, innovation and resilience through the sense of belonging.

Diversity continues as a strategic value in our Sustainability Reports. This year we published an annex with the first YPF Diversity Report with the results of 2018.

Gender equality and diversity are values included in our Code of Ethics and Conduct. We have two policies as annexes to the Code: the Diversity & Inclusion Policy and Workplace Free of Abuse and Harassment Policy and a Behavior Manual.

We started 2019 by declaring our support to the Women's Empowerment Principles (WEPs) from the UN Women and United Nations Global Compact.

For the purpose of moving closer towards the target of having 25% of women in leadership positions, we incorporated, as part of the company's goals, the objective of having women in leadership positions, hiring new professionals and implementing internships, as well as, the goal for including women as candidates for leadership and pre-leadership positions (coordinating and leadership positions).

To comply with this, we monitor 18 indicators that allow assessing potential barriers to the admission, participation, promotion, compensation, and recognition of women at YPF.

We hold courses on unconscious bias for different stakeholder groups and inclusion culture workshops. We continue during 2019 with the cycle of offering inspiring open talks on gender, innovation, biases, diversity and inclusion. Modules on diversity and gender equality were included in the company's leadership programs.

Within the framework of the YPF Union Career, a module on diversity and gender equality was developed and members of the Argentine Association of Women Judges (AMJA, for its acronym in Spanish) provided training on gender awareness, domestic violence and human trafficking.

A communication campaign promoting diversity was launched, telling the stories of YPF employees and their families, as well as an internal communication campaign about inappropriate conduct. We also participated as sponsors of the advertising campaign on gender stereotypes known in Spanish as “*Campaña del Consejo Publicitario Argentino sobre Estereotipos de Género*”.

We launched the LIFE Leadership program focusing on female leadership and the Self-Development Workshop: Women in the lead. As a result of the internal pilot mentoring program for 22 Mentees, out of the 73% of female participants, 38% had a promotion during the program.

Regarding the succession plan, the Corporate By-Laws provide that each class of shares shall appoint an equal or lower number of alternate directors than the number of regular directors it is authorized to appoint. Alternate directors shall fill the vacancies within their respective class in the order of their appointment upon the occurrence of such vacancy, whether by absence, resignation, leave, incapacity, disability or death, with prior acceptance by the Board of the grounds for replacement, should it be temporary. Besides, statutory auditors may appoint directors in the event vacancies, who shall hold office until the election of new Directors at the shareholders meeting. The statutory auditor appointed by Class A shares shall appoint one Class A Director, following consultation with Class A shareholder, and the statutory auditors appointed by Class D shares shall appoint Directors for such class. Senior managers are appointed by the Board of Directors.

Moreover, even though this Committee may make recommendations to the Shareholders’ Meeting regarding the appointment of qualified individuals to serve as Board members, as described in Practice 2, and pursuant to the Corporate By-laws, such appointment is in the hands of the Shareholders’ Meeting according to the rules and regulations in force.

Practice 14. The Board of Directors implements an orientation program for its newly elected members.¹⁶

The Company’s Corporate Secretary (or Board’s Secretary) coordinates the orientation process of new directors to ensure they are informed about the Company’s relevant aspects and its internal organization. The actions taken to provide such orientation include training of directors on their responsibilities, operating sites, interviews with executive staff and other directors, as well as provision of the necessary documentation for their participation at Board of Directors’ meetings.

D) REMUNERATION

¹⁶*GUIDANCE: New directors shall need information and preparation prior to their incorporation. Establishing an orientation program is beneficial to ensure that all members are informed on the company’s relevant aspects and governing bodies. An orientation program also serves to introduce the new director to their peers and to explain how the Board operates. It seeks to create understanding, trust and credibility before the new member starts their participation in the meetings.*

The Corporate Secretary shall coordinate the process and use different methods to inform the new director and introduce them to their peers and management. Both objectives are of vital importance, especially when a non-executive director is hired. Different methods may be used, such as visits to the offices and operative plants, interviews with key staff and other directors, and sending of documents prior to the first meeting.

Principles

- XI. The Board of Directors shall create incentives by way of remuneration, to align management -led by the CEO- and the Board of Directors itself with the company's long-term interests in such a way that all Directors fulfill their duties in relation to all shareholders equally.

Practice 15. The company has a Remunerations Committee that is made up of at least three (3) members. All members are either independent or non-executive.¹⁷

The Company has a Compensation and Nomination Committee that is responsible for decisions related to Board of Directors' remunerations and appointments to the offices of General Manager (CEO) and his/her first reporting level, including the Internal Auditor and the Reserves Auditor and Chief Compliance Officer, and those members of the Board with executive roles in within the Company, which decisions shall be submitted for approval to the Board of Directors and/or the Supervisory Committee and/or the Shareholders' Meeting of the Company if so required under the applicable rules and regulations.

In that sense, the Board of Directors has the power to appoint Vice Presidents or senior managers pursuant to the Corporate By-laws and section 170 of the LGS, according to the offices they hold, taking into account the CEO's proposal and considering the recommendation of the Compensation and Nomination Committee and the Human Resources Vice Presidency. Such executives are liable to the Company and third parties for the performance of their duties to the same extent and manner as directors, pursuant the LGS.

The Committee is responsible for setting the recruitment and retention policies for senior managers with the purpose of contributing to the Company's competitiveness in the market; recommending and/or approving the terms of employment contracts for the Company's executive officers, the retirement and severance programs and other matters related to their compensations and conducting the analysis and surveys entrusted to it by the Board in relation to the selection, retention and compensation of executive officers.

In this respect, the Committee annually reviews the Company's competitiveness regarding salaries, particularly in the case of the CEO, senior managers and directors, by means of benchmarking reports provided by recognized market consultants.

¹⁷ *GUIDANCE: The Board of Directors shall guarantee that all decisions regarding remuneration are made objectively, independently and taking into account gender equality. The members of the Remunerations Committee shall be able to exercise an objective judgment and have the ability and integrity to make difficult questions, impose and comply with limits, and be a source of change when current practices are not positive.*

The Remunerations Committee shall comply with at least the following duties: (i) supervise that the remuneration of the members of the Board of Directors and senior managers are linked to the medium and/or long-term performance; (ii) review the competitive position of the company's remuneration policies and practices, that is to say, compare the company's practices to other market participants, and recommend, or not, changes; (iii) inform the guidelines to determine retirement plans of the company's members of the Board of Directors and senior managers; (iv) regularly report to the Board and Shareholders Meeting on the actions implemented and topics analyzed at their meetings; and (v) ensure that the Chairman of the Remunerations Committee explains the company's policy regarding the remuneration of members of the Board of Directors and senior managers at the Shareholders' Meeting where remunerations are approved.

The Committee is composed of four (4) regular directors, who are independent, including its Chairman, and meets at least four (4) times a year and whenever it is necessary at the request of any of its members.

Besides, even though the Committee may make recommendations to the Shareholders' meeting regarding the appointment of qualified persons to serve as Board members as provided in the Corporate By-laws, such power is vested in Shareholders' meeting under applicable rules and regulations in force.

Practice 16. The Board of Directors, through the Remunerations Committee, sets forth a remuneration policy for the CEO and members of the Board of Directors.¹⁸

The Board of Directors has Compensation and Nomination Committee with the following duties, as provided for in its regulations published on the Company's website¹⁹:

- Ensures there is a clear relationship between the performance of key employees and their fixed and variable remuneration, considering the risks undertaken and their management;
- Submits to the approval of the Board the amounts of fees, the updating mechanisms and their effective term for the Chairman of the Board of Directors, Directors and Statutory Auditors.
- Annually reviews the internal equity and the external competitiveness of the total compensation of the General Manager and his first reporting level, including those of the Internal Auditor and Reserves Auditor and the Chief Compliance Officer. It also issues report to the Board of Directors on its performance.

¹⁸*GUIDANCE: One of the responsibilities of the Board of Directors is to guarantee that the company's management is competent enough and has the ethics and values of integrity necessary to develop and implement a long-term winning strategy.*

The CEO's remuneration, and in some cases the remuneration of other key management positions, shall be determined in light of a policy which bases its focus on performance according to the strategy and success indicators (and not only, for example, on the share price). Furthermore, it shall help create the incentives necessary to frame management actions within the risk appetite range approved by the Board of Directors (Practice 17).

Although managers must produce short-term results, it is important that remuneration rewards the achievement of long-term goals, through a system of variable remuneration.

The remuneration policy shall serve as an element of attracting and retaining talent. For this reason, it shall be clear and communicable, shall establish a plan linked to personal and corporate performance, and must be equitable both in the internal sphere (where all employees benefit or are penalized depending on performance) as well as in the external one (where performance is compared to the performance of similar companies).

Furthermore, the policy shall set the remuneration of Board members, particularly the remuneration of non-executives or independent members. Although there is an inherent conflict of interest in the fact that the Board of Directors is the one determining its own remuneration, this task can definitely not be left to the Management which the Board of Directors supervises and remunerates.

The Board of Directors shall submit a proposal regarding its own remuneration, which shall later on be determined and approved according to the procedures established by law.

The policy in which said proposal is developed shall take into consideration the company's performance. Other objective criteria can be the attendance to meetings or the specific roles or the duties assigned to each director, such as the chairmanship of a committee. In this case, the member of a committee should receive a higher remuneration than a member who is not part of one. On the other hand, the assessment of the Board of Directors should not be used to determine the individual remuneration of directors (Practice 7) since doing so could lead to directors having a conflict of interest at the time of evaluation.

¹⁹<https://www.ypf.com/inversoresaccionistas/Documents/Reglamento%20Comit%C3%A9%20de%20Nombramientos%20y%20Remuneraciones.pdf>

The Compensation and Nomination Committee may rely upon the external advice of specialists recognized for their capabilities and experience in human resources. Moreover, the contracting conditions agreed by the Committee are supported by external consultants recognized in the market in relation to senior management compensation matters, and their implementation within the limits decided at the Shareholders' Meeting is validated through the participation of reputable external and independent accountants; such mechanisms are intended to ensure the objectivity and transparency of the Committee's actions.

In this respect, the Committee reviews and approves the annual targets set by the Company, which constitute the basis to estimate the annual bonus payable to the Company's personnel, including the CEO and senior managers. It also approves, on an annual basis, the criteria used to define and allocate the long-term bonus to key personnel.

The Company understands it is advisable for the Compensation and Nomination Committee to actively work with senior managers in order to facilitate the strong commitment of the Committee in issues related to human resources planning and management within the Company, which are deemed relevant for reviewing the main underlying corporate guidelines.

Committee decisions are not binding on the General Shareholders' Meeting, they merely provide an advice on the remuneration for members of the Board of Directors.

Notwithstanding the above, the Board of Directors maintains its control capacity and the duty to submit to the approval of the annual shareholders' meeting, all remunerations due to Board members, as laid down in the By-laws and the LGS.

In this regard, such remunerations are fixed by the Shareholders' Meeting according to the economic and financial results of the respective fiscal year and in accordance with the objective legal guidelines and limits established under section 261 of the LGS and Chapter III Title II of the CNV Regulations.

Finally, the Company complies with the presentation of information on directors' remuneration established in the aforementioned CNV Regulations.

E) CONTROL ENVIRONMENT

Principles

- XII. The Board of Directors must ensure the existence of a control environment, composed of internal controls developed by management, internal audit, risk management, regulatory compliance and external audit, which lays down the lines of defense necessary to secure the integrity of the company's operations and financial reports.
- XIII. The Board of Directors shall ensure the existence of a comprehensive risk management system that allows management and the Board of Directors to run the company efficiently towards achieving their strategic goals.
- XIV. The Board of Directors shall ensure that there is a person or department (depending on the size and complexity of the business, the nature of its operations and the risks it faces) responsible for the company's internal audit. In order to evaluate and audit the company's internal controls, corporate governance processes and risk management, the internal audit must be independent and objective, and have clearly established reporting lines.
- XV. The Audit Committee of the Board of Directors shall be composed of qualified and experienced members, and shall comply with its duties in a transparent and independent manner.
- XVI. The Board of Directors shall set all adequate procedures to ensure the independent and effective action of the External Auditors.

Practice 17. The Board of Directors determines the company's risk appetite and supervises and ensures the existence of a comprehensive risk management system that identifies, evaluates, decides the course of action, and monitors the risks faced by the company, including, among others, environmental and social risks, and those inherent to the business in the short and long term.²⁰

²⁰*GUIDANCE: A comprehensive risk management system is the result of "Risk Governance", the continual improvement of processes to monitor risk management activities. Risks include financial and non-financial risks, such as environmental, social, technological and reputational risks, among others. The Board of Directors shall encourage management to take prudent risks in order to create a sustainable corporate performance that also creates value. Furthermore, it shall supervise that the company's strategy is aligned to the definitions made in relation to the business risk management. This includes agreeing on the amount of risk the company is disposed to accept or its "risk appetite" and it may do so through the approval of a "risk appetite statement". Appetite must not be confused with "risk tolerance". Appetite is the amount of risk to be taken, while the tolerance is the level of variation that the company may accept in relation to the appetite. The Board of Directors intervention in the company's strategy (Practice 2) offers the opportunity to obtain a high level of knowledge on the risks that the company is facing. This shall not only allow for the risk appetite to be established by the Board but also for it to exercise its responsibility of supervising the comprehensive risk management system. The board should be able to count on the support of a committee dedicated to that issue (usually called risk committee) or by several committees of the Board of Directors, where risk falls within each of their scopes of action. In certain cases, committees do not end up supervising all the risks the company is exposed to. For this reason, their job, which is equally useful, in this case ends up being one of a data collector and analyst. As a result, the Board of Directors must also get involved in identifying how risks are interrelated with each other; ensure that management has implemented an effective and efficient risk management system; and guarantee the suitability of resources for said system. Management shall work in a dynamic and constructive manner along with the Board of Directors in the identification, classification and prioritization of risks. It shall agree in advance on what information is required by the Board of Directors (and in which format) so that said Board can question the assumptions and hypothesis considered by management and align the risk with other key elements such as human resources, incentives, compliance with regulations or controls.*

The Company has a Risk and Sustainability Committee, as part of the Board's Committees, composed of at least 5 regular directors, whose function is to establish policies on comprehensive business risk management policies, supervise their appropriate implementation and promote the best Sustainability practices, proposing objectives across the organization. Besides, the Company has a Global Risk Management Policy and Regulations in place, aligned with the best world practices on this subject.

Senior Management is responsible for Risk Management, which is defined as a structured and ongoing process implemented across the organization to identify, assess, and manage any threats that might affect the Company's operation. It involves a cross-sectional approach and seeks to evaluate how different risk scenarios might impact the main corporate goals. According to certain international criteria, risks are classified as: environmental risks, strategic risks, operational risks and compliance risks.

In 2017, the Risk Management Department, reporting to the Executive Financial Vice President, was set up for the purpose of communicating and implementing the Company's integrated risk management policies. One of its main objectives is to lead the risk identification process and integrated risk management. This Department consolidates the Company's integrated risk map, which is built with the participation of all Business Units, and as part of its duties, it interacts with the Risk and Sustainability Committee.

The Senior Management is committed to promoting and ongoing management culture that is sustainable in time for the whole organization. To this end, the Risk Management Department organizes collaborative workshops, refresher and awareness Seminars. As part of this Program, and focused on the Senior Management, the Corporate Governance, Compliance and Sustainability areas were included in the 2019 training actions.

Besides, the Company complies with International Financial Reporting Standards (IFRS), including the information related to financial risk management in its Financial Statements.

The Board of Directors supervises the policies on risk control and management through the Audit Committee, the Risk and Sustainability Committee and the Internal Audit Management.

Also, these risk control and management policies are reviewed pursuant to the relevant best risk practices.

Additionally, YPF's Board of Directors has analyzed risks, action plans and evolution of cybersecurity in the company, according to the cybersecurity maturity model adopted by YPF.

The Audit Committee of the Company's Board of Directors oversees the Company's risk mitigation strategies related to cybersecurity, among other functions. And the Risks and Sustainability Committee monitors the main risks that are specific to the Company and/or its activity, including cyber risks; and ensures that the Company implements the corresponding mitigation actions, among other functions.

In 2019, we continue developing cybersecurity organization in compliance with international standards aligned with our National Cybersecurity Strategy.

Also, during 2019, different awareness and training actions were carried out for the Company's employees and managers at different levels, among others. Additionally, we continued raising internal awareness about typical security issues like: phishing, ransomware, data leak, etc.

For further information, please refer to our 20F Form under “Board of Directors and Senior Management Roles in cybersecurity” and the Risk Factor “We could be subject to information technology system failures, network disruptions, and breaches in data security which could negatively affect our business, financial position, results of operations, and cash flows., whose link is copied below:

<https://www.sec.gov/Archives/edgar/data/904851/000119312519096821/d660305d20f.htm>

Regarding the internal control system, YPF has developed several functions and responsibilities which, coupled with the designed and implemented control mechanisms contribute to ensuring a degree of reasonable assurance in relation to proper compliance of current laws and regulations, reliability of financial information and efficiency and effectiveness of operations. It has a financial reporting risk map and a control matrix designed for risk mitigation, which is updated on an annual basis.

To such end, the YPF’s Internal Control over Financial Reporting is a process designed and developed by the Management and staff of the Organization to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company’s Financial Statements according to the IFRS (International Financial Reporting Standards), including the policies and procedures that:

- Pertain to the keeping of records which, in reasonable detail, accurately and truly reflect YPF’s transactions and disposals of assets and that revenues and disbursements are being made only in accordance with the approvals of the Management and the Directors of YPF.
- Provide reasonable assurance regarding the breakdown of information as required by the applicable accounting standards.
- Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisitions, use or disposals of assets that might have a material adverse effect on the Financial Statements

The key elements for the development of the Internal Control System are:

- Identification of financial reporting risks and controls.
- Evaluation of the evidence on controls’ effectiveness.
- Evaluation of control deficiencies.

The approach on internal control is based on the principle of the different Vice Presidencies’ responsibilities for risk and control management and system performance assessment by the Internal Audit Committee (including the duty of objective assessment of evidences in order to provide an independent conclusion regarding a process, system or another element subject the audit).

Besides, the Audit Committee, within the framework of its own specific duties, assists the Board of Directors in monitoring (1) internal controls, risk management and compliance with the internal regulations and legislation in force, (2) the process for issuing the financial statements, (3) the suitability and independence of the External Auditor and (4) the performance of the Internal and External Audit.

Supported by the Finance Vice Presidency and considering the work performed by our external and internal auditors, the Audit Committee analyzes the annual and quarterly financial statements before they are submitted to the Board of Directors.

As our shares are traded in the New York Stock Exchange (“NYSE”), under US laws we are required to include our annual financial information in Form 20F, which has to be filed with the SEC. The Audit Committee reviews such report prior to such filing.

In order to supervise the internal financial control systems and assure they are sufficient, appropriate and effective, the Audit Committee supervises the progress of the annual audit whose purpose is to assess the controls in response to risks related to the reliability and integrity of financial and operating information, the effectiveness and efficiency of transactions and programs, asset protection and compliance with laws, regulations, policies, procedures and contracts.

Throughout each fiscal year, the Audit Committee receives information from our Internal Audit Department on the most relevant facts and the recommendations arising from its work and the status of recommendations issued in previous fiscal years.

Under the provisions of Section 404 of the U.S. Sarbanes-Oxley Act, the Management has evaluated the effectiveness of the internal control system following the criteria established in “Internal Control Framework 2013” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Such process is supervised by the Audit Committee.

These regulations require the filing of a report, together with the registration of Form 20F, establishing the responsibility of the Management for the maintenance of the internal control system of financial reporting and its annual evaluation, along with a report of our external auditor. Several of our departments are involved in this activity, including the internal audit department. At the Audit Committee’s meeting held on March 4, 2020, our internal and external auditors informed about the reviews carried out as of such date regarding the internal control system for filing financial information as of December 31, 2019.

The Audit Committee maintains permanent communication with the external auditor in the different audit stages, which allows for an intensive analysis of the relevant aspects of the financial statements’ audit and obtaining detailed information about the planning and progress of the work.

Besides, the Audit Committee evaluates the services rendered by our external auditors, determines if they meet the independence requirement in accordance with the applicable rules and regulations, and monitors their performance in order to assure it is satisfactory.

The Company complies with the International Financial Reporting Standards (IFRS) by including risk management information in its Financial Statements.

Practice 18. The Board of Directors monitors and revises the effectiveness of the independent internal audit and guarantees the resources to implement an annual audit plan based on risks and a direct report line to the Audit Committee.²¹

²¹GUIDANCE: The Board of Directors shall ensure that the individual or department in charge of the internal auditing has the resources, time and knowledge to form a third line of defense behind internal controls (first line) and risk management and compliance (second line). To that end, it shall have a direct report line to the Audit Committee and human resources, and a budget according to the size of the company and the complexity of its operations. This

Internal Audit function directly reports to the Audit Committee and has the appropriate human and budget resources considering Company's size and its business complexity.

Before the end of each fiscal year, the Internal Audit department submits the annual plan for the following year to the Audit Committee. Such plan is prepared based on risks and contemplates a certain number of hours assigned for unscheduled reviews. On a quarterly basis, the Internal Audit department informs the Audit Committee about the degree of progress in the performance of the Audit Plan and the most relevant issues resulting from the reviews conducted.

The Internal Audit function is developed taking into account the essential requirements laid down by the Institute of Internal Auditors (IIA). Our audit practices comply with the principles and guidelines set by the IIA, since they follow the best practices and standards of professional Internal Audit practice.

Besides, the Internal Audit department's missions and roles are communicated across the organization in compliance with the Regulations applicable to its operation, which were timely considered and approved by the Audit Committee.

Practice 19. The internal auditor or the members of the internal audit department are independent and highly trained.²²

The Company's Internal Audit team has appropriate knowledge of financial, business and accounting issues, and has the necessary authority to carry out its tasks in an effective, broad and independent manner. It should be noted that Internal Audit has, among other things, an area whose major role is the assessment of possible fraudulent acts, and has experts specialized in system audits. Besides – where necessary- it has direct communication with all employees of the Company, including managers, and has access to all records, files and information that are necessary for the correct performance of its duties. The Internal Audit department has an independent budget that allows it to travel to the different sites of the Company to participate in continuous training programs in matters related to its functions.

Practice 20. The Board of Directors has an Audit Committee that acts pursuant to a procedure.

requirement is founded on the need to carry out an internal audit that is objective and independent from management. It is not suitable that the auditor be part of, or report, to the bodies that are the subject of said audit.

The objective of the internal audit is to add value and improve the company's operations, mainly through the evaluation of the internal risk control systems and management elements.

The internal audit shall submit a risks-based annual plan of action to the Audit Committee for approval by the Board of Directors. In addition, the plan shall include unplanned audits according to the needs that may arise throughout the year.

The Board of Directors may approve an Internal Audit Charter setting forth directives for the operation, mission, scope of duties, authority and responsibilities of the Internal Audit. The Audit Charter shall be clearly communicated to all levels in the company and periodically reviewed by the Audit Committee when inefficiencies in the method to carry out the audits are identified.

²²*GUIDANCE: Those carrying out audits shall be well-versed in financial, corporate and accounting matters, and shall have the authority necessary to perform their tasks in a broad, effective and independent manner. Furthermore, it shall be valued positively that they have sufficient knowledge to evaluate the risk of fraud and the way in which it is managed, as well as knowledge on information technology. Auditors shall be able to audit all managerial levels on their own initiative, and be able to have direct communication with all employees, in addition to having access to all records, files, and information necessary to perform their duties. Auditors shall have an autonomous budget to be able to travel to different corporate offices without prior management approval, and be able to participate in ongoing training programs on matters related to their work.*

The Committee is composed of a majority of, and is chaired by, independent directors and does not include the CEO. The majority of its members have professional experience in financial and accounting areas.²³

YPF's Audit Committee, provided by Law No. 26,831 (formerly by Decree No.677/01) and the CNV Regulations, was created on May 6, 2004 and is in permanent activity, as described in the preceding paragraph.

The main role of the Audit Committee is to support the Board of Directors in its oversight duties through the periodical review of the process for preparing economic and financial information, its internal controls and the independence of the external auditor.

The Audit Committee's powers and duties are those laid down in Law No. 26,831 and the CNV Regulations, and all the powers and duties that may be established in the future assigned to it, in particular those established by the Board of Directors (see also Practice 5).

The powers and duties of the Audit Committee include the following:

- a) Giving opinions about the Board of Directors' proposal for the appointment of the external auditors to be hired by the Company and ensuring their independence.
- b) Overseeing the operation of internal control systems and the administrative and accounting system, as well as the reliability of the latter and of all financial information, data on hydrocarbon reserves or other significant facts to be submitted to the CNV and the relevant entities in compliance with the applicable reporting regime, or to other regulatory authorities.
- c) Supervising the application of the Company's risk management reporting policies.
- d) Fully reporting to the market all transactions involving a conflict of interest with the members of the corporate bodies or controlling shareholders.
- e) Issuing an opinion on the reasonableness of proposals brought forth by the Board of Directors on fees and stock option plans for the Company's directors and managers.

²³*GUIDANCE: The Audit Committee is one of the most important committees, since it ensures the integrity and reliability of a company's financial statements and the way they are audited. The Audit Committee shall help the Board of Directors in its supervising role, particularly by helping them to select an external auditor. The Committee should also supervise the internal control systems and the quality of financial reports. Given the importance of its duties, said committee shall act as objectively and independently as possible, and it is recommended that it should be composed of at least three directors, two of which should be independent directors, including the Committee Chairman. Moreover, the CEO should not be a member of this Committee. It is recommended to avoid the participation of executive directors as well, since management itself is subject to audits.*

The Audit Committee shall always be able to require the participation of management to discuss a specific matter. Due to the complex matters the Audit Committee deals with, a majority of its members shall have financial and accounting training.

For the purposes of securing its proper operation, the committee shall have an internal charter detailing its purpose and duties, among which the ones to highlight are: (i) give an opinion on the Board of Director's proposal to appoint external auditors and ensure their independence (Practice 21); (ii) supervise the operation of the internal control systems and of the administrative-accounting system; (iii) supervise the application of policies regarding the disclosure of information related to the company's risk management; (iv) provide the markets with complete information about operations where there exist conflicts of interest with members of corporate bodies or controlling shareholders; (v) give an opinion on the reasonableness of the remuneration proposals issued by the Board of Directors; (vi) give an opinion on the conditions of issuing shares or convertible securities, in the event of capital increase; (vii) verify the compliance with applicable conduct rules; (viii) give a grounded opinion on operations with related parties and communicate it to the markets every time there is likely to be an alleged conflict of interest within the company (Practice 20); review the internal and external auditors plans and evaluate their performance, and issue an opinion on said matter for the submission and publication of the annual financial statements.

- f) Giving opinions on the compliance with legal requirements and the reasonableness of the conditions for the issuance of shares or securities convertible into shares, in the event of capital increase, excluding or restricting any preemptive rights.
- g) Verifying compliance with the applicable rules and regulations, both national and international, for affairs related to the behavior in the stock market.
- h) Ensuring that the Internal Codes of Ethics and Conduct and those applicable to stock markets, applicable to the Company's employees and its controlled parties, comply with the rules and regulations and are adequate for the Company.
- i) Issuing a grounded opinion on the operations with related parties in the cases established by Law No. 26,831. Giving a grounded opinion and communicating it to the pertinent entities as determined by the CNV any time there exists a potential or actual conflict of interests in the Company, pursuant to the provisions of section 110h) of Law No. 26,831.
- j) The directors, members of the supervisory body, managers and external auditors, shall, at the Audit Committee's request, attend its meetings and provide their collaboration and access to the information they hold.
- k) Having access to all the information and documents deemed necessary for the performance of its duties.
- l) Reviewing the external and internal auditors' plans and assessing their performance and giving an opinion thereon at the time of filing and publishing the annual financial statements.
- m) Issuing a report for its publication, as frequently as required, but at least upon the filing and publishing of the annual financial statements, indicating the treatment given in the fiscal year to the issues under their scope as set forth in Law No. 26.831 during the fiscal year.
- n) Publishing the opinions provided for in subsections a), d), e), f) y h) of section 110 of Law No. 26,831., in the terms provided in the CNV Regulations, or in lieu thereof, immediately after their issuance;
- o) Performing all the duties imposed on it under its by-laws and the laws and regulations applicable to the issuer in its capacity as such or on the activity it undertakes. In particular, it shall strictly comply with the U.S. Sarbanes Oxley Act, provided it is applicable to the Company for trading its stock on New York Stock Exchange.

The Chairman of the Audit Committee is appointed by the Company's Board of Directors. While it is not a legal requirement for the Chairman of the Audit Committee to be an independent member at all times, in YPF's case, the three members of the Committee, namely all of them, are currently independent. Members of the Audit Committee may be proposed by any Board member.

Practice 21. The Board of Directors, with the opinion of the Audit Committee, approves a policy to select and monitor external auditors. That policy establishes the indicators to be considered when issuing a recommendation to the Shareholders Meeting on keeping or replacing the external auditor.²⁴

The Company applies the CNV and SEC Regulations on rotation of External Auditors.

²⁴*GUIDANCE: The Audit Committee has the obligation to give an opinion on the Board of Directors' proposal for the appointment of an external auditor. In addition, it shall supervise the performance of the external auditor, especially regarding the quality of services provided by the latter. To that end, besides its legal obligations, the Audit Committee shall determine a series of objective indicators (experience, ongoing training, dedicated resources and authority, risk-based approach, review of the internal control of processes that are significant to the business, thoroughness of detailed audit evidence, the use of technological tools, professional rotation, etc.) that enable the evaluation of the commitment, effectiveness and independence of the external auditor's work.*

Furthermore, the Audit Committee evaluates the expertise, independence and performance of the external auditor and the members of the audit team on an annual basis, informing the Board of Directors about such evaluation, which also includes the revision of the external auditor's fees. Such revision is communicated by publishing the Audit Committee's Annual Report through the CNV Financial Information Highway.

In such Annual Report, the Audit Committee describes the tasks performed over the fiscal year, which include regular meetings with the external auditor at which the Committee receives the respective quarterly reports.

Besides, the Shareholders' Meeting of YPF also considers the appointment of the external auditors who will issue an opinion on the Financial Statements of a given fiscal year, as well as their fees.

F) ETHICS, INTEGRITY AND COMPLIANCE

Principles

- XVII. The Board of Directors must design and establish structures and practices which are appropriate to promote a culture of ethics, integrity and compliance with rules that prevent, detect and address serious corporate or personal failures.
- XVIII. The Board of Directors shall ensure that all formal mechanisms are established to prevent, or otherwise deal with, conflicts of interest that may arise from the company's administration and management. It shall have formal proceedings aimed at ensuring that related party transactions are carried out in the company's best interest and that all shareholders are treated equally.

Practice 22. The Board of Directors approves a Code of Ethics and Conduct that reflects the values and ethics and integrity principles as well as the company's culture. The Code of Ethics and Conduct is communicated with, and applied to, all of the company's directors, managers and employees.²⁵

²⁵GUIDANCE: The integrity, ethics and sense of the role and responsibility of the company in society and the community help building the basis of a long-term relationship with employees, clients, suppliers, regulators and investors.

The Board of Directors shall thus ensure the development of a culture of ethics and integrity in all corporate levels, and shall make all efforts to communicate such culture to all stakeholders.

The Board of Directors plays a key role in continually supervising the integrity and ethics of management (Practice 3), communicating the importance and seriousness of these matters to them, and defining the parameters of the culture and revising management's efforts towards its inculcation. This culture shall be reflected and become incorporated in the company's corporate governance framework, operations and strategy. For instance, the Board shall clarify which failures or rash risk taking will not be tolerated. Furthermore, it shall clarify the conducts that will be reported to the authorities by the company. These are the measures that the Board of Directors shall undertake with the objective of giving robustness to the culture.

Inspired by the culture of ethics and integrity, the Board of Directors shall guarantee the existence, and monitor the correct implementation of, an integrity program that prevents legally-risky behavior. The program should be established in order to be able to foresee this and change the incentives (for example, remuneration) that lead to such behavior.

As regards to compliance, a decision or conduct may usually be determined as compliant or non-compliant, whereas in questions of ethics, a different level of considerations and reasoning are involved. There might be, for example, ethical dilemmas in which a choice is to be made between two or more options, all regarded as formally legal.

The Board of Directors, through the promotion of the Integrity Program, seeks to strengthen the ethical, transparent, strong and sustainable organizational culture. During 2019, the Code of Ethics and Conduct of YPF S.A. was renewed as a fundamental pillar of the compliance program by establishing the company's integrity standards, based on corporate ethical values essential for the maintenance of an economically viable and sustainable long-term business. It sets corporate ethical values such as: Acting with Integrity, which is the core value from which all others are derived, Creating Value, Prioritizing Safety, Being Committed to Sustainability, Focusing on the Client and Valuing Gender Equality and Diversity.

The Code's renovation was carried out through a consensual and integrative process, which included the participation of leaders from different areas of the company and the support of senior management. This renovation was intended to make everyone at YPF feel the owner of the Code and apply it to their day-to-day activities. It is applicable to all levels of the organization, with simple, friendly and straightforward language, though but not less rigorous. Besides, the Code is aligned with the current legislation and the best market practices, incorporating new concepts, including guidance and examples. The Code of Ethics and Conduct was approved by the Board of Directors.

Its content includes principles and rules to guide employees and third parties who carry out activities with the company or on its behalf. It highlights the individual and collective responsibilities, what is acceptable and not acceptable within the organization, expressing how to live the values and develop the activities. The Code is applicable to everyone at YPF (Company's employees and directors) as well as its subsidiaries, its controlled companies, its respective contractors, subcontractors, suppliers, consultants and other "business partners" and their respective members who carry out business with the company, whether directly or on its behalf.

The Code of Ethics and Conduct establishes the Third-Party Contracting Program with an adequate assessment of integrity risks. Besides, it contains different policies, procedures and rules related to zero tolerance for bribery and corruption, guidelines for interacting with the public sector and political contributions, procedures for declaring conflicts of interest both on the part of employees and Board of Directors' members, policies related to gifts, presents and hospitalities, accounting records and reliable reporting, protection and reasonable use of the company's resources, also in connection with safety, occupational health and environmental protection, maintaining a safe and protected workplace, data protection and use of tools and e-mail, privileged information, security and protection of privacy in the workplace and our employees' and client's privacy, responsible advertising, commitment to sustainability, leadership attributes guidelines for decision-making when facing an ethical challenge and the strength through diversity, while ensuring a respectful and harassment-free workplace. The Code also establishes clear rules guiding employees on how to speak on behalf of the Company and how to use social media and other means of communication in a responsible manner.

Addressing this situation requires the development of a framework of reference to evaluate the different alternatives, such as a Code of Ethics and Conduct.

Management shall develop and implement a Code of Ethics and Conduct that formalizes and communicates the company's values and internal rules. For its part, the Board of Directors shall supervise the process of creation of the Code, ensuring that stakeholders' expectations are taken into consideration. The Board shall approve the Code, provided that it appropriately reflects the company's culture and values.

The content of the Code shall be clear and understandable, and, if possible, it shall be concise and use direct language that does not require interpretation. Matters addressed in the Code shall vary depending on the company's risks, size and economic capacity, as well as the characteristics of the company and the specific business (for example, it may include specific rules and procedures for receiving gifts, hospitality, expenses, donations or lobbying). It is important that the Code sets forth the proceedings for reporting, investigating and taking actions in the event of non-compliance.

Finally, the Code of Ethics and Conduct describes the media available to employees and third parties to report breaches of the Code of Ethics and Conduct, and protection against retaliation. It also identifies the management and investigation policy for such reports and their resolution, the measures applicable in case of non-compliances and the creation of an Ethics Committee together with the Compliance Officers' role.

Practice 23. The Board of Directors establishes and periodically reviews an Ethics and Integrity Program based on risks, size and economic capacity. The plan is visibly and unequivocally supported by management, which designates a person within the company in charge of developing, coordinating, supervising and evaluating the program in terms of its effectiveness. The program provides: (i) periodic training to directors, administrators and employees on ethics, integrity and compliance; (ii) internal whistleblowing channels to report irregularities, which are open to third parties and are properly publicized; (iii) a policy to protect whistleblowers from retaliation, and a system of internal investigation that respects the rights of the investigators and imposes effective sanctions for the violation of the Code of Ethics and Conduct; (iv) integrity policies for tender proceedings; (v) mechanisms to periodically analyze risks, and to monitor and evaluate the program; (vi) proceedings aimed at proving the integrity and track record of third parties or business partners (including due diligence to verify irregularities, unlawful acts or the existence of vulnerabilities during the processes of corporate transformation and acquisitions), including suppliers, distributors, vendors, agents and intermediaries.²⁶

In September 2018, the Board of Directors, with the purpose of building awareness on ethics and compliance across the organization, appointed an Ethics and Compliance Officer who reports to the Company's Audit Committee. In December 2018, the Integrity Program to be developed in 2019 was submitted to the Board of Directors. This program is structured in different phases in relation to: the internal and external corruption risks matrix, the procedure to revise the code of ethics and conduct and certain corporate policies, a face-to-face and online training program, a risk assessment of third parties carrying out activities with the Company on its behalf, with classification in three risk levels, and the implementation of their respective mitigation actions, a policy for the management and investigation of complaints and the means available to file such complaints, as well as the mechanisms to resolve and implement corrective actions, and the monitoring of such program through surveys, evaluations, training actions, evaluation of complaints received and their traceability.

The Compliance and Ethics Officer regularly appears before the Board of Directors to present an update on the progress the Integrity Program, reporting to the board on a regular basis.

The Integrity Program approved by the Board of Directors was communicated through different means, both internally and externally. A clear support was provided by the Senior Management in this respect, which collaborated with internal communications by means of posters, mails,

²⁶*GUIDANCE: The Board of Directors shall structure a program supporting the company's culture of ethics and promoting the integrity of those who relate with the company. The Board should also keep this program updated. Based on the parameters established in the Code of Ethics and Conduct, the program provides key elements to guide directors, managers and employees when dealing with potential or actual issues regarding compliance and/or ethics. The Management, apart from supporting the program, shall designate an internal officer that shall hold a high position within management, which shall grant said officer enough power, resources and recognition to be taken seriously by the other managers, employees and directors. In addition, the officer responsible for the program shall have access to the Board of Directors to report regularly.*

videos, various publications and the development of a training schedule. This Program was also promoted by the attendance of managers and executives of the organization at different events, such as training courses, the announcement of their acceptance of the Company's Code of Ethics and Conduct and other communications addressed to the employees.

Besides, several actions were carried out with the aim of boosting the culture of integrity, such as the First Corporate Governance Meeting which promoted the creation of internal and external networks for the purpose of sharing experiences related to ethics and integrity issues. Different referents of the organization, with a clear support of the Company's directors and managers, participated at such meeting.

Additionally, breaches of our Code of Ethics and Conduct, our internal policies and integrity expectation are identified through our reporting channels and periodic audits. In this regard, the Company has assumed the commitment to keep the complaints received confidential, ensuring security, the choice to remain anonymous and that no type of retaliation will arise in the development of the labor and/or contractual relationships against those using the reporting channels in good faith.

There are various channels or available means for informing and filing a complaint:

- In person, by having a conversation with a superior, a representative from Human Resources, from Internal Audit or the Compliance area.
- By filing a complaint using the Ethics Hotline, whether online, by phone, or in an email to the Ethics Committee.

In order to consolidate the reporting channels, the Speak Up campaign was designed, through various publications like posters or posts in our internal corporate network.

The reporting channels are supervised by YPF's Ethics Committee, which is in charge of implementing the Code of Ethics and Conduct and evaluating and establishing the actions required to address the reported situations.

Besides, the Audit Committee directly receives reports on accounting, auditing and internal control issues, on the Company's website and the intranet, and also at a specific e-mail address, which are constantly monitored, and any report it receives is treated with the strictest confidentiality.

The site is: <https://ccau.ypf.com.ar/entrada.aspx>

Moreover, under the Code of Ethics and Conduct, any situation contrary to the Code or related to the behavior of Company's Board of Directors must be reported to the Company's Audit Committee. The following situations shall also be reported forthwith to the Audit Committee: i) any event that might affect the supervision of financial reporting or other material events submitted to the CNV and the markets, and ii) any report related to the operation of YPF's internal control, administrative-accounting, and audit systems.

Practice 24. The Board of Directors ensures the existence of formal mechanisms to prevent and address conflicts of interest. As regards related parties' transactions, the Board of Directors approves a policy that establishes the role of each corporate body and defines how transactions that are detrimental to the company or to only certain investors are identified,

***managed and disclosed.*²⁷**

In addition to complying with the rules and regulations in force applicable to conflicts of interest, the Issuer has clear policies and specific procedures in place to identify, manage and address conflicts of interest between Board of Directors' members, senior managers and statutory auditors in their relationship with the Issuer or its related parties.

The Code of Ethics and Conduct sets different mechanisms to identify, handle and resolve conflicts of interest – whether current or potential. To this end, it establishes a procedure for the spontaneous declaration of conflicts of interest for employees and provides instruction on the course of action to be taken when such declaration is made by Directors of the organization.

Besides, the Third-Party Contracting Program sets mechanisms to identify potential conflicts of interest in relation to third parties that interact with the Company, or on its behalf, that is formalized by submitting a due diligence form in which the identification of the third party's directors, shareholders and members is requested and in which potential conflicts of interest may be declared.

The Code of Ethics and Conduct also establishes the guidelines on how the organization's directors and employees should use insider information. To such end, it features Internal Code of Conduct of YPF S.A. in the context of the Capital Market.

Both the Code of Ethics and its Regulations are published on the Company's webpage www.ypf.com

Additionally, the Audit Committee has a procedure in place to handle reports of conflicts of interest pursuant to section 110 subsection h) of Law No. 26,831 at Board of Directors' level.

²⁷*GUIDANCE: The Board of Directors shall guarantee the existence of mechanisms to identify conflicts of interest and to analyze the best course of action to avoid a negative impact as a result of such conflicts.*

The three lines of defense that include internal controls (Practice 3), risk management and compliance (Practice 17 and 23) and the internal audit (Practice 18), act as general mechanisms to identify and avoid harmful conflict of interests, notwithstanding any other specific mechanism that may be used (for example, the establishment by the Board of Directors of rules for the use of confidential or insider information).

Additionally, these mechanisms allow companies to show themselves as being transparent, create trust, add value and improve their reputation in the market. Mechanisms may be formalized in the Code of Ethics and Conduct (Practice 22).

A transaction between related parties shall refer to any agreement, business or arrangement, regardless of whether it be formal or not, between two parties related through shared property, membership in common Boards, or significant personal or commercial ties. Even though related party transactions mean, by definition, a conflict of interest, they only generate potential damage to the company or some investors. When said transactions are carried out properly and pursuant to market conditions, they can serve legitimate interests that benefit the company and all of its investors. Related party transactions may generate conflicts when they are overlooked (when there is lack of adequate information that allow for proper controls to be carried out), when they are carried out to the real or potential detriment of the company (for example, unnecessary transactions conducted or transactions conducted below the market price), or when there is a failure to act (for example, if an opportunity is missed in order to benefit another company or individuals).

Furthermore, related party transaction may be detrimental for the company when it is conducted using insider information, which means manipulating market terms.

The Board of Directors shall approve a Related Party Transactions Policy that establishes its own definition of an operation deemed as such by the company. In order to do that, they should take the relating legal stance on the issue as a base. In addition, the policy shall include the measures that shall be taken into account to guarantee that transactions are not detrimental, are necessary for the company and are carried out at market prices and conditions. A formal policy can mitigate the risk of improper use of corporate resources and the harnessing of these resources by investors or managers to the detriment of others. The policy shall be aligned with the regulations in force.

The Company also complies with the provisions of sections 72 and 73 of Law No. 26,831 regarding relevant transactions with related parties. Under these provisions, all acts or contracts executed by the Company involving a “significant amount” with one or more related parties shall be previously approved by the Board and obtain the prior opinion of the Audit Committee and two independent valuation firms stating that the terms of the transaction may reasonably be considered to be in line with regular and ordinary market conditions.

For the purposes of the aforementioned Section 72 “significant amount” means an amount that exceeds 1% of the issuer’s net worth as reflected in the latest approved financial statements. For purposes of Law No. 26,831 “related party” means (i) directors, members of the supervisory committee (statutory audit committee) or managers; (ii) the persons or entities that control or hold a significant participation in the company or in its controlling shareholder, as regulated by the CNV; (iii) any other company under common control; (iv) direct relatives of the persons mentioned in (i) and (ii) above; or (v) companies in which the persons referred to in (i) to (iv) hold directly or indirectly significant participations.

Besides, section 14 of Chapter III, Title II of the CNV Regulations provides that: “For the purpose of the provisions of section 72, subsection a) paragraph II of Law No. 26,831 persons with a “significant participation” are persons holding shares that represent at least FIFTEEN PER CENT (15%) of the capital stock, or a lesser amount when they are entitled to elect one or more directors per each class of shares or have agreements with other shareholders related to the governance and management of the respective company, or of its controlling company.”

The acts or contracts mentioned above, immediately following their approval by the Board of Directors, should be informed to the CNV, expressly indicating the existence of the opinion of the Audit Committee or the independent valuation firms, as applicable. Also, on the business day immediately following the approval of the transaction by the Board of Directors, the reports of the Audit Committee or the independent valuation firms shall be made available to the shareholders at the Company’s head office. If in the opinion of the Audit Committee and the two independent valuation firms the contract does not constitute a transaction consistent with ordinary and regular market practices, the prior approval of the Company’s Shareholders’ Meeting shall be obtained.

The Company has informed in previous years about transactions with related parties under the mentioned regulations. Also, the Company reports its transactions balances with related parties in the Financial Statements in compliance with the International Accounting Standards Board – “IASB”). The Company also discloses such information in the 20-F Form it annually files with the Securities and Exchange Commission (“SEC”).

Besides, the Company, within the framework of program for the continuous improvement in the implementation of best corporate governance practices, plans to develop a specific policy for contracts with related parties, irrespective of the compliance with current rules and regulations.

G) PARTICIPATION OF SHAREHOLDERS AND STAKEHOLDERS

Principles

1. The company shall treat all Shareholders equally. It shall guarantee equal access to non-confidential relevant information to make decisions at the shareholders meetings.
2. The company shall promote the active and properly informed participation of all Shareholders, particularly in the shaping of the Board of Directors.
3. The company shall have a transparent Dividend Distribution Policy aligned to the strategy.
4. The company shall take into consideration the legitimate interests of its stakeholders.

Practice 25. The company's website discloses financial and non-financial information, thereby giving equal and timely access to all Investors. The website has a specialized area to attend to investors enquiries.²⁸

The Company has an information office to answer shareholders' and investor's inquiries and concerns – the Investor Relations Management - headed by the Market Relations Officer appointed by the Board of Directors in compliance with the CNV Regulations. Likewise, on a quarterly basis, the Company issues notes on the results in which it reports the results of its operations, making them available to its Shareholders in general, its corporate bodies and the regulatory authority, among others. Such results are sent via webcast, which can be accessed

²⁸*GUIDANCE: The channels used by companies to disclose relevant information and material are as important as the information itself. Notwithstanding the regulations in force regarding disclosure of information, the company shall have an updated and publicly accessible website that, in addition to providing information relevant to the company (such as a section detailing the roles, duties, and practices of corporate governance), receives general queries from users. This is a simple first step towards equal access to information and it is relatively inexpensive for the company.*

The company's website shall contain financial information, objectives and non-financial information such as the Bylaws, the composition of the Board of Directors and the biographies of its members. It should also contain information on sustainability, governance structures and policies, and the shareholding structure of the company.

The company shall have an Investors Relations Officer whose role, among others, shall be to ensure that information about corporate governance is updated. It should also disclose the company's information, and receive and reply queries.

Said officer shall have a different role than the one the Market Relations Officer (Responsable de Relaciones con el Mercado) has. The Market Relations Officer has a legal status and is in charge of disclosing to the CNV every relevant information that may substantially affect the placement or exchange of the company's marketable securities through the Online Financial Information Tool (Autopista de la Información Financiera). In other words, the Market Relations Officer's responsibility shall be towards the regulator. Meanwhile, the Investors Relations Officer fulfills a different function since he is responsible for providing information and replying to queries of potential investors, analysts and shareholders. It should be noted that both duties may be embodied in the same person, provided that their availability is sufficient so as to comply with the corresponding responsibilities of both roles.

from YPF's website, and are of free access to shareholders, potential investors and the public in general.

The Company has a web site www.ypf.com which can be accessed by shareholders and the public in general. In such website, there is a section with frequently asked questions received by the Investor Relations Management and the relevant answers thereto.

The general public can send their contacts and receive all information that the Company makes public, such as relevant events, notes on the results and presentation of quarterly and annual results, invitation to the webcast, among other relevant information, in order to remain updated on the information that the Investor Relations Management will issue. It is also possible to directly communicate with the shareholder and investor service office by email to investorsYPF@ypf.com as detailed on the website.

The Company has a free download mobile application in which shareholders and the general public can have access to updated financial information of the Company or other relevant information that it makes public.

Moreover, the information sent by electronic means meets the highest confidentiality and integrity standards and tends to the conservation and registration of the information.

Lastly, the Company has an internal policy regarding the procedure for the disclosure of relevant Information of the Company, in which the Company's internal areas, Corporate Governance, Investor Relations and Communication participate in order to analyze the information to be disclosed and its coordination, in compliance with the regulations applicable to the Issuer.

Practice 26. The Board of Directors must ensure the existence of a process of identifying and classifying its stakeholders and a communication channel for them.²⁹

As Argentina's major energy company, sustainability is imbedded in YPF's identity, its goals and the way it works. YPF works to be an integrated, profitable and competitive energy company committed to creating value for its shareholders, customers, employees, vendors, the communities where it operates and across the country.

Projects are undertaken focused on sustainability, which constitutes a shared and cross-organizational commitment for YPF. Our aim is to contribute to the sustainable development of energy in its three dimensions - economic, environmental and social - through a responsible and

²⁹*GUIDANCE: The company shall have a Stakeholder Engagement Plan that allows to clearly identify those stakeholders and classify them according to criteria determined by the company itself. The criteria may include the level of influence, impact, risk, size, and proximity, among others.*

Having a Stakeholder Engagement Plan shall allow companies to mitigate risks, anticipate crises, and if crises occur, have the tools to solve them efficiently. Besides, this tool provides the Board of Directors and management with a sustainable approach when developing the company's strategy, allowing them to have a better understanding of their clients and business.

Meanwhile, a clearly defined Stakeholder Engagement Plan shall allow for the mapping and identification of stakeholders and the setting of a strategy on how to interact with each of them. The company shall also ensure the existence of communication channels to keep in contact with its stakeholders. The channels shall be used to receive, analyze and respond to queries and shall be a complement to the public information to which stakeholders shall be able to access through the company's website.

transparent business based on innovation, new technologies, best practices and dialogue with stakeholder groups.

The relevant sustainability issues are monitored by the Executive Management Committee, through each of its members and respective Vice Presidencies. Meanwhile, the Board of Directors does so through the Risks and Sustainability Committee, made up of five of its regular members.

YPF also has a Sustainability Management Department that is in charge of formulating, proposing and leading the Company's cross-sustainability strategy through the design and execution of action plans and their associated metrics, as well as for their implementation in collaboration with each of our business players. The area periodically reports its progress to the Operations and Transformation Executive Vice President and to the Risk and Sustainability Committee of the Board of Directors.

Carrying out the Company's sustainability projects and initiatives is a responsibility of each of the business areas and cross-sectional areas.

With respect to the environmental dimension, we have an Operational Excellence Policy in place and we work with a strong commitment to preventing and minimizing the environmental impacts of our operations. Over the next years, we are committed to a low carbon economy through a more efficient production of oil and gas, fuels and derivatives, lower intensity in greenhouse gas emissions, and cleaner electric power with a higher share of renewable energies.

In October 2019, YPF presented its annual report known as "Communication on Progress" to the United Nations Global Compact. This report describes the company's sustainability policy and thoroughly describes the programs and actions implemented in the areas of social and environmental responsibility, in accordance with its 10 principles on Human Rights, Labor Rights, the Environment and Fight against Corruption proposed as international standards by the aforementioned United Nations initiative.

In 2019, YPF continued participating as a Board member of the Argentine Network for the Global Compact and held the first year of the presidency of such institution.

Moreover, in 2019 YPF presented its Sustainability Report, a public and voluntary document that reflects the Company's business management commitment to the sustainable development in the economic, environmental and social fields. This version, referring to the activities carried out between January 1, 2018 and December 31, 2018, was prepared in accordance with the GRI Standards Guide of the Global Reporting Initiative - GRI -, including the supplement for the Oil & Gas sector.

Updates on sustainability-related material topics were provided through dialogue with internal and external groups. Their opinions on and priorities vis-à-vis YPF management are highly valued, as well as their expectations on the future of the energy industry.

It also included an identification of the role that the company may play in contributing to the Sustainable Development Goals, which were agreed in 2015 by the United Nations as the core of the 2030 Sustainable Development World Agenda.

This report is a strategic instrument for ongoing management improvement and transparent dialogue with the company's stakeholder groups.

The Sustainability Report was submitted to an external verification process by Deloitte & CO S.A. and the review was of a limited and independent assurance nature on certain sustainable management indicators that the Company has included in the Report.

The Report may be consulted at: <https://www.ypf.com/english/TheCompany/Documents/YPF-Sustainability-report-2018>.

Regarding sustainability's social dimension, YPF, as Argentina's major company, contributes with its activities to the development of provincial and national economies as a whole by the creation of quality employment and training of human resources, procurement of goods and services, payment of taxes and royalties, and investments in science and technology.

At the same time, YPF collaborates through direct social investments, initiatives, donations, programs and sponsorships that allow building relationships of mutual benefit with local players based on two strategic pillars: quality education focused on energy and local development.

To such end, the Company continues implementing cross-cutting initiatives for different sectors of the Company that have an impact on key public, among which the following stand out:

- (I) Sustainable cities: together with the national, provincial and administrative authorities and YPF Foundation, the Company continues working on the design and implementation of strategic action plans to contribute to the sustainable development of the key cities for Argentina's energetic growth. These plans, which are designed based on its own methodology, created with the CONICET, contemplate priority issues and promote public-private coordination projects to promote sustainable territorial development in its rural, social, environmental, economic, and government dimensions, including the gender perspective.
- (II) Dialogue with Indigenous Communities: On occasions, YPF conducts activities in areas inhabited by indigenous communities. Safeguarding their rights and respecting their culture are the main principles underlying this relationship. We have managed to establish a bond based on respect and ongoing dialogue with the Communities. However, in particular cases, we had certain difficulties with some of their leaders and referents. Community bonds have been forged particularly in the Province of Neuquén, where the Company carries on its core hydrocarbon activity. In addition, relevant initiatives have been continued in order to improve the communities' quality of life.
- (III) Suppliers' Development: During 2018, YPF carried out a comprehensive diagnosis aimed at understanding the composition and operation of its supply chain and its relationship with the needs of the company. Through a detailed microeconomic study of the 14 UPSTREAM value chains, the transformation of the VP Supply Chain was promoted based on two premises. Firstly, from an internal perspective, the analysis and management of the supply were reorganized through the establishment of 7 market management offices (aimed at achieving expert knowledge) and a streamlined interaction with the Company's businesses, in order to evaluate cases with collective intelligence. Secondly, the logistics integration of the supply chain was implemented through the creation of a platform for low-cost and low-impact purchases and an end-to-end logistics initiative.

This redefinition of strategic supply incorporates a systemic vision leveraged on four pillars. The first one is the search for reference prices from more competitive countries to determine savings opportunities. The second one is the focus on total cost considering the variables of efficiency, times, energy consumed and productivity. The third one refers to the long-term perspective, identifying bottlenecks. The last one is the support to productive capacity development and competitive local development, with special focus on competitive suppliers, integrated in industrial sectors, or which solve productive and logistic problems.

In 2019, this new operating model was implemented, linking its areas with different market players. Work meetings and briefings were held in order to exchange information on the results with the Ministry of Production. In turn, actions began to be implemented to evaluate and specify the opportunities identified for YPF and its suppliers through direct actions with companies, intermediate entities and the Government.

- (IV) Social Supply Modules: Throughout the year, the Company continued operating 15 Social Supply Modules (MAS, for its acronym in Spanish) whose goal is to supply quality fuel to the most remote areas of the country, enabling an improvement in their population's quality of life. The MAS are fuel provision points fully designed and developed in Argentina focused on flexibility, sustainability, occupational safety and environmental protection. They are generally located in rural areas too far from towns and where in most cases there is no other access to fuel. Each unit has an office, a storage facility and a toilet for disabled people. Besides, they are equipped with a sliding gate that allows the module to be tightly closed when it is not in operation.

This work is complemented by and coordinated with the programs and actions developed by YPF Foundation.

Stakeholder Groups:

As informed in the Company's Sustainability Report, YPF's interest groups (or stakeholders) are all individuals and organizations that are linked to the company in its role as energy producer and supplier, employer or partner. These groups are identified and their positions, level of influence and impact are known by the Company, which has formal communication channels and specific areas within the vice-presidencies to carry out a transparent, long-term relationship and of mutual benefit with all of them.

Among the aforementioned channels, the Company has the Investor Relations Management, headed by the Market Relations Officer appointed by the Board of Directors in compliance with the CNV Regulations (see Practice 25).

Likewise, on a quarterly basis, the Company issues notes on the results in which it reports the results of its operations, making them available to its shareholders in general, its corporate bodies and the regulatory authority, among others. Such results are sent via webcast, which can be accessed on www.ypf.com, and is a website of free access to shareholders, potential investors and the public in general.

Internally, the Company measures climate and engagement through an online survey and communicates the results at company level and then at each business level unit. On the other hand, the Company has a Code of Ethics and Conduct that governs the behavior of everyone

performing activities on behalf of the Company or having a relationship with the Company: directors and employees, contractors, suppliers and business partners. This Code establishes the general guidelines that must govern the conduct of the Company and all its employees in the fulfillment of their functions and in their commercial and professional relationships, acting in accordance with the laws of each country and abiding by the ethical principles and values of their respective cultures.

The Ethics Line is the formal channel for receiving reports concerning the breach or violation of the rules established in the Code of Ethics and Conduct. The reception and evaluation service is provided by independent external professionals. The Ethics Line is under the supervision of YPF's Ethics Committee, which is responsible for implementing the Code of Ethics and Conduct, and assessing and establishing the actions required to address the reported situations.

Regarding employees' representation, the Company's employees have a Company's Board member representing them, an internal Labor Relations Policy, and a specific area that coordinates the relationship between employees and labor unions ensuring that all relevant issues are duly addressed in the agreements and translate into appropriate working conditions. Relations with communities are carried out within the framework of the current legislation on the matter, the respect for human rights and the culture of indigenous communities and of all citizens.

Likewise, the Company has a Communities' Relations Policy –currently under review and updating—that includes indigenous communities and that seeks to create solid and long-lasting bonds, governed by the principles of respect, reciprocal dialogue, integrity, responsibility, good faith and information transparency. To facilitate communication and complaint mechanisms, a dedicated team is in permanent contact with the population in such areas, using formal written elements, such as purchase order forms, immediate digital media and formal face-to-face meetings, where records of the raised issues are generated.

In synergy with the aforementioned permanent dialogue, each year the Company carries out a materiality analysis that involves internal and external stakeholders, and which focuses on identifying their perceptions, opinions and expectations. In 2019, topic selection and prioritization were updated through systematic dialogue instances with internal and external stakeholders. Their opinions on and priorities vis-à-vis YPF management are highly valued, as well as their expectations on the future of both the company and the energy industry. An expert consulting firm conducted a coordinated exercise that consisted in in-depth interviews to members of the company's board and senior management and an internal survey addressed to employees. Online surveys and opinion polls were carried out on the topics above to gather the opinion of external stakeholders—strategic partners, suppliers of goods and services, customers, governments, community, and civil society, including academia and non-government organizations.

On the other hand, a key element of the content selection process is the ongoing dialogue with stakeholders throughout the year.

Material issues are defined as issues that have or may have significant economic, environmental or social impacts on the relationship and decisions between the company and its key stakeholders.

Media analyses, public opinion polls, reputation and brand positioning surveys, questions gathered during investor presentations and relevant global sustainability standards have also been factored in and their implications have been internally assessed.

Practice 27. The Board of Directors sends to the Shareholders a “provisional information pack” before Shareholders Meetings, which allows them -by means of a formal communication channel- to make non-binding comments and to share dissenting opinions on the recommendations made by the Board of Directors. The Board has to address every comment that it deems necessary when sending the final information package.³⁰

The Company’s Board of Directors complies with the periodical briefing regimes defined by the LGS, CNV Regulations, the ByMA Listing Regulations, and the SEC Regulations.

Besides, the Company makes presentations of its results on a quarterly basis, which are broadcast via webcast and can be accessed from YPF’s website and are of free access to shareholders and potential investors. These presentations remain available at YPF’s web site, as well as all relevant facts and financial statements published by the Company. Besides, the Company keeps contact with its investors through the Relations with Investors Management and has a telephone number and *e-mail* available for any inquiry or concern any shareholder or investor may have, as well as a specific section on YPF’s web site with useful and relevant information for shareholders or investors (see Practice 25).

Finally, and according to the above information, the admission of the Company to the Corporate Governance Panel of ByMA implies that the information on the Company’s Corporate Governance is also be available to investors on ByMa’s web page.

³⁰*GUIDANCE: The right to participate in the Shareholders Meetings is an essential shareholder right. In this sense, the company must promote the participation of all Shareholders by adopting measures such as allowing them to ask questions or include points in the agenda according to reasonable criteria.*

One of the mechanisms that companies may use to foster participation is the sending of provisional information packs to shareholders early enough for them to make non-binding comments and new recommendations on the Board of Director’s proposals. Then, the Board of Directors shall rule on the comments and opinions proposed by the Shareholders that it deems pertinent and disclose all opinions put forward. The provisional pack shall include at a minimum a tentative date for the Shareholders Meeting, the agenda proposed by the Board of Directors and its grounded opinion regarding each of the matters, including proposal for the remuneration and nomination of directors.

A very important phenomenon at the corporate level is the growth of activist investors in the capital markets. Generally, this activism is carried out by institutional investment funds with long-term investment mandates and considerations of sustainability and good governance. These mechanisms facilitate Shareholders ability to express their opinions and engage in constructive dialogue with the Board of Directors. In its communication with Shareholders, the Board of Directors shall send an explanation detailing why the corporate governance structures that have been developed are the most suitable for the company. This is also a way of building Shareholder support for the work carried out by the Board of Directors.

Besides this practice, Shareholders shall have other opportunities to recommend candidates to the Board of Directors. The Nominations Committee (Practice 12) shall disclose the process to consider such recommendations.

Other alternatives to keep Shareholders informed are to produce an annual report, to invite them to explanatory meetings and/or give them a true opportunity to ask questions at the Shareholders Meeting. The annual report in particular is a formal document detailing the company’s financial and non-financial information, including, among others, data regarding the governance structure, authorities and employees in charge of the different areas of business and corporate governance, and the social responsibility of the company. The annual report allows all Shareholders and potential investors to access the company’s information in a simple and clear way unified in one single document.

The Company complies with the publications required by the rules and regulations in force, pursuant to which all Shareholders' Meeting notices are published in Argentina's Official Gazette, the bulletin of the Buenos Aires Stock Exchange ("BASE"), the CNV Financial Information Highway and a newspaper of general circulation, as well as on the SEC website. Thus, meeting notices to Shareholders' Meeting are widely publicized.

The Company does not have any Regulations for conduct of business at Shareholders' Meetings but, at present, is considering its possible implementation. The Company understands that both the LGS provisions and the CNV Regulations on the matter ensure that the documentation to be dealt with at each shareholders' meeting are made available to shareholders within the statutory term.

Notwithstanding the foregoing, the Secretary of the Board of Directors specifies in detail, at the beginning of each meeting, the rules that will govern it, which respect and allow the expression of opinions of the participating shareholders regarding the issues submitted to their consideration. Such exchange and participation are recorded in the meeting minutes that are published on the CNV Financial Information Highway by the Company as a sworn statement.

The Board of Directors sends to the CNV through the AIF, to the BCBA, the SEC and the NYSE, all the available information to be considered as well as the Board of Directors' proposals, as applicable, in relation to the issues to be dealt with at the meeting within the terms established by the rules and regulations in force.

Furthermore, a copy of this information is furnished to the shareholders when they get registered for meeting participation purposes.

Practice 28. The company's bylaws establish that Shareholders may receive the information packs for the Shareholders Meeting in virtual formats. It should also allow shareholders to participate in the meetings through electronic means of communication with simultaneous transmission of sound, images and words, upholding the principle of equal treatment of the participants.³¹

The Company does not yet have any by-laws provisions to hold remote meetings, but considers its implementation is positive under certain conditions. In this sense, it attended the meetings called by the CNV, taking part in the Participatory Elaboration of Standards, approved by CNV Resolution No. 824/2019.

Moreover, shareholders have the communication tools described in detail in this Report (Practices 25 and 27) to establish contact and raise concerns, in addition to the formal channels provided by applicable rules and regulations.

Practice 29. The Dividend Distribution Policy is aligned with the strategy and clearly establishes the criteria, frequency and conditions under which the distribution of dividends is to be made.³²

³¹GUIDANCE: If the Shareholders' Meetings are exclusively held in person, investors from other jurisdictions are practically excluded from exercising their rights related to the meeting unless they incur high proxy expenses by hiring representatives. For this reason, the company should provide Shareholders with the greatest possible facility for their participation, perhaps reducing the Shareholder's proxy expenses and making the investment more attractive.

³²GUIDANCE: The company's profits can be distributed to Shareholders as dividends or retained as a source of capital for future investments. The decision to distribute or retain profits is important for Shareholders, potential investors and other stakeholders such as creditors. The Board of Directors shall be responsible

Although we have not adopted any formal dividend policy, we intend to maintain the annual distribution practice within the framework of a management that will also consider, among other things, the capital requirements related to investment plans, the performance of debt servicing, working capital needs, legal and/or contractual restrictions that apply at all times, and the general conditions of the economic and financial context.

The Company documents the preparation of the proposal for the allocation of the Company's retained earnings that will allow the creation of legal, statutory or voluntary reserves, their carry-forward to the following fiscal year and/or dividend payment -as approved by the Shareholders' Meeting- through the preparation of the annual report and the corresponding minutes of Board of Directors' meetings.

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for developing and formalizing a Dividend Distribution Policy detailing the guidelines for deciding whether to distribute dividends or not. The policy cannot force the company to always distribute profits, but it can create a set of guidelines (for example, the factors to consider when proposing or not the distribution) that force the company to follow a clear and consistent practice, allowing stakeholders to make informed decisions in relation to said policy.