

ANNEX I

YPF S.A.

Report on Corporate Governance Code 2017

Regulations of 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. 622/2013 of the Argentine Securities **and Exchange** Commission (“CNV”) (the “Resolution”).

YPF 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 in the interests of the Company and its shareholders. The basic pillars of YPF’s corporate governance system, gathered mainly in its 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’s employees and its Annex I: the Internal Code of Conduct of YPF in the context of the capital markets (the “Regulations”), are transparency, shareholders’ participation, the adequate functioning of the Board of Directors and the external auditor’s independence.

These rules and regulations, jointly with other documents and instruments, highlight the Company’s firm commitment to good corporate governance, transparency and social responsibility.

II. Applicable Rules and Regulations

Capital Markets Law No. 26,831 (“Law 26,831”) and the CNV Regulations.

III. Company’s Background

YPF S.A. is a corporation organized under the laws of the Argentine Republic, with registered office at Macacha Güemes 515, City of Buenos Aires, Argentina. Our By-laws were registered on February 5, 1991, under Number 404 of Book 108, Volume “A” of the Public Commerce Register of the City of Buenos Aires in charge of the Argentine General Inspection of Corporations; 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 the Argentine General Inspection of Corporations. Our term of duration is one hundred years from the registration of the By-laws in the mentioned General Inspection of Corporations.

IV. Contents of the Corporate Governance Code

As provided in the Resolution as a general rule, the Corporate Governance Code is based on principles and recommendations or good practices, where principles establish general concepts that underlie a good corporate governance, recommendations suggest a framework for the application of these principles within the Issuer, and are followed by comments indicating how to implement the respective good practices. In this sense, the Corporate Governance Code establishes “the minimum requirements that Issuers may exceed at their discretion”.

This report informs about the compliance status of the recommendations specified in Annex I to the Resolution and their associated practices. Where this report refers to compliance, it means total compliance, whereas partial compliance is identified as such.

However, given that recommendations are not binding, in cases of non-compliance or partial compliance, the Issuer will, in the future, evaluate the respective recommendations considering the feasibility, modality and timeliness of their implementation in the respective area.

PRINCIPLE I. ESTABLISH TRANSPARENCY IN THE RELATION AMONG THE ISSUER, THE ECONOMIC GROUP OF WHICH IT IS THE LEADER OR A MEMBER AND/OR ITS RELATED PARTIES.

Recommendation I.1: Ensure disclosure by the Board of Directors of policies applicable to the relationship of the Issuer with the economic group of which it is the leader or a member and/or its related parties.

The Company complies with this recommendation, pursuant to 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, 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 with related parties in the Financial Statements (note 31), pursuant to the International Accounting Standards Board – “IASB”). The Company also disclosed such information in the 20-F Form it annually files with the Securities and Exchange Commission (“SEC”).

Recommendation I.2: Ensure the existence of mechanisms preventing conflicts of interest

The Issuer complies with this recommendation. In addition to complying with the rules and regulations in force, 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 Company complies with the recommendation through specific procedures for the identification, management and resolution of conflicts of interest specified in the “Code of Ethics” and its Annex – the Regulations – applicable to the Board of Directors, employees, contractors, subcontractors, vendors, business partners, and their controlled companies. Both the Code of Ethics and its Regulations are published on the Company’s website www.ypf.com

Moreover, the Company has a specific procedure in place to handle “Conflicts of Interest”, which specifies how the responsible parties should make inquiries or submit reports related to conflicts of interest.

Besides, 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.

Recommendation I.3: Prevent the improper use of privileged information .

The Issuer complies with this recommendation, and, notwithstanding the regulations in force, it has reasonable policies and mechanisms in place to prevent the improper use of privileged information by members of the Board of Directors, senior managers, statutory auditors, controlling shareholders or shareholders exercising a significant influence, professionals involved and other persons listed in Sections 102 and 117 of Law No. 26,831 and section 1, Chapter II, Title XII of CNV Regulations.

The Issuer complies with such requirement through its policy included in its Code of Ethics and its Annex - the Regulations- aimed at preventing the improper use of privileged information.

The Code establishes the relevant principles for the Company in relation to the protection of information as an essential asset for the management of its activities.

The Regulations define the subjective scope (persons) and the objective scope (marketable securities or financial instruments therein defined) for its application. Besides, they establish a specific reporting procedure related to dealing with the securities or instruments mentioned in the objective scope of application by persons bound to comply its provisions.

PRINCIPLE II. PROVIDE THE BASIS FOR A SOUND MANAGEMENT AND SUPERVISION OF ISSUER

Recommendation II.1: Ensure that Issuer's affairs and strategies are managed and supervised by the Board of Directors.

The Company complies with this recommendation and each of the following associated practices identified by the CNV:

II.1.1: the Board of Directors approves:

II.1.1.1: the strategic or business plan, as well as the management objectives and annual budgets,

The Board has assumed the commitment to manage the Company in a diligent and prudent manner as a good business person, as defined in the Argentine General Corporations Law No. 19,550 ("LGS", for its acronym in Spanish) 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 October 2017, the Board of Directors approved the 2018-2022 Strategic Plan.

II.1.1.2: the investment policy (in terms of financial assets and capital goods) and the financing policy,

See previous paragraph.

II.1.1.3: The corporate governance policy (compliance with the Corporate Governance Code),

The basic pillars of the Company's corporate governance system have been mentioned in the Introduction to this Report. In line with the practices of good corporate governance, the Board of Directors has adopted the actions aimed at its effective compliance. To such end, it approved and implemented the Code of Ethics mentioned in previous Recommendations I.2 and I.3, applicable to the Board of Directors and all employees in order to establish the general guidelines that should govern the behavior of the Company and all its employees in the performance of their duties and in their business and professional relations, acting in compliance with the laws of each country and respecting the ethical values of their respective cultures. Any amendment to the Code, as well as any waiver or exception to the compliance of its provisions, will require 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 acts to be performed, within the scope of capital markets, by 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 in promoting transparency and good performance of the markets and preserving the legitimate interests of the investment community.

II.1.1.4: the selection, evaluation and compensation policy for senior managers,

The Board of Directors is directly responsible for the appointment of the Company's senior executives, taking into account their professional and technical background. Upon their appointment, the Company informs this to the CNV and to the investors in compliance with the applicable provisions of CNV Regulations. The Company also has a system of Management by Objectives, which is complemented by a performance evaluation for senior executive officers.

Besides, 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, which decisions shall be submitted for approval to the Board of Directors and/or the General Shareholders' Meeting, if so required by the applicable rules and regulations.

(See details in VII.1).

II.1.1.5: the policy for assignment of responsibilities to senior officers,

The Board of Directors appoints senior managers, pursuant to the Corporate By-laws and section 270 of the LGS, delegating thereto some of the executive management functions, determining their responsibilities according to offices they hold. 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.

II.1.1.6: the supervision of senior managers' succession plans,

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

II.1.1.7: the policy on corporate social responsibility,

As Argentina's leading 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, collaborators, 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. It implies thinking and developing the business, facilitating economic, environmental and social conditions in order to strengthen the capabilities of the Company and its environment, keeping an ongoing dialog in its relations with stakeholder groups.

Among the improvements implemented in the framework of best corporate governance practices, the creation of the Sustainability Management is worthy of mention, which is responsible for developing, proposing and implementing the Company's overall 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.

Regarding sustainability's social dimension, YPF, as Argentina's leading 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: education and local development.

To such end, the Company is 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 Inter-American Development Bank (IDB), national, provincial and administrative authorities and YPF Foundation, the Company continues working on the design of strategic action plans for the sustainable urban development of key cities for Argentina's energetic growth. In their implementation stage, these plans contemplate social investments in works related to health, education and public space that improve the population's standard of living. During the year, focus was placed on continuing the implementation of these plans in the locality of Añelo (Neuquén) as well as the development of the first stages of the plan in the localities of Allen (Río Negro) and Malargüe (Mendoza).

(II) Dialog 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. The ILO Convention 169 on Indigenous and Tribal Peoples, which was incorporated to Argentina's domestic law but is pending regulation by the competent authority, is considered as a guideline to develop this relationship, notwithstanding the fact that this Convention is only mandatory for the member states. Beyond the difficulties that have arisen at different moments with some of their leaders and representatives, a bond has been established based on ongoing dialog and respect. 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 live.

(III) Sustainable development of YPF's suppliers: The Company continued its work with local vendors through this initiative that capitalizes on the Company's experience since 2012, and is meant to develop the companies that constitute the value chain, strengthen the industry in the areas where YPF operates and give useful responses to businesses' needs. To this end, The Company continued implementing the Quality and Productivity Improvement Program aimed at micro, small and medium enterprises, which arose from the Company's relationship with Argentina's Ministry of Production and different national and provincial government agencies carrying out programs and subsidies to strengthen vendors and promote industry projects.

(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 a remarkable 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.

II.1.1.8: the policies on integrated risk management and internal control, and fraud prevention,

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 risk practices.

The internal information and control systems are regularly monitored.

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 reliable safety in relation to proper compliance of current laws and regulations, reliability of financial information and efficiency and effectiveness of operations.

To such end, the YPF's Internal Control over Financial Reporting is a process designed and developed by the Management and staff 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 reflects 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).

In the performance of its basic function of assisting the Board of Directors in its oversight and control duties, the Audit Committee periodically reviews our economic and financial information and supervises internal financial control systems and the independence of external auditors.

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 of laws, regulations, policies, procedures and contracts.

Throughout each fiscal year, the Audit Committee receives information from our Internal Audit Department about 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 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 2, 2018, 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, 2017.

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 and monitors their performance in order to assure it is satisfactory.

II.1.1.9: the policy on ongoing training of Board of Directors’ members and senior managers ,

The Company develops continuous training programs for its executives in general who participate in programs according to their respective offices in the Company.

Besides, special training is provided to members of the Board of Directors and members of the Audit Committee on an annual and as-needed basis. The Performance Plan of the aforementioned Committee includes specific activities for their members.

The Human Resources Vice Presidency is responsible for scheduling the competencies and training for senior managers as well as their implementation, within the framework of the policies currently managed by the Compensation and Nomination Committee composed of members of the Board of Directors (see Recommendations II.1.2 y VII).

II.1.2: If relevant, add other policies followed by the Board of Directors which have not been mentioned and describe their main aspects.

The Company's Board of Directors monitors the implementation of its strategies and policies, the compliance with the annual budget and operations plan, as well as the management performance control.

Regarding non-discrimination policies, the Company encourages the professional development of its staff, within a framework of gender equality and equal opportunities, principles that are also contained in its Collective Bargaining Agreement. Thus, it promotes the ongoing training of its operating, technical and professional staff, as a means to acquire and update skills contributing to better performance, and consequently, to the promotion of persons associated to achievement and meritocracy. All within a respectful, healthy and safe work environment, with no room for any kind of offensive behavior that might be considered discriminatory.

Moreover, in line with the Company's ongoing adoption of measures focused on the best practices in Corporate Governance, the Board of Directors made the following decisions in 2017:

- It approved the creation of the Strategy and Transformation Committee of the Board of Directors to analyze issues related to the Company's medium and long-term strategy, act as liaison between the Board of Director, 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, resolve, in the event of unforeseen and emergency situations, the approval of the Company's necessary operations and/or management proceedings.
- It approved the creation of a Geosciences Advisory Committee composed of specialists of different science branches applied to the exploration and exploitation of hydrocarbons, with special focus on the tasks to be undertaken in the subsurface area.
- It approved the creation of the Internal Executive Management Committee composed of the Upstream, Downstream and Gas and Energy Executive Vice Presidencies, the CFO and the new Corporate Affairs, Communications and Marketing, and Operations and Transformation Executive Vice Presidencies.

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 discharge of their duties, such as:

a) Audit Committee. This is the body provided under Law No. 26,831 and CNV Regulations N.T. 2013, mentioned above.

b) 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 senior 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 Chief Financial Officer (“CFO”), the Legal Affairs Corporate Vice President, 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 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.

c) Compensation and Nomination Committee. This is a Board of Directors’ committee that was created taking into account local and international market and corporate governance practices, for the purpose of evaluating and establishing compensation guidelines for the Company’s CEO and senior managers. Since April 2016, the Committee is also involved in the review and approval of general policies regulating Compensations and Benefits and Talent Management in order to assure the recruitment, development, commitment and retention of the Company’s human talent.

d) Ethics Committee. This committee was created by the Board of Directors and is responsible for implementing the Code of Ethics and Conduct, and assessing and establishing the actions required to address reported situations. It is formed by five members, three 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.

e) Compliance Committee. This is Board of Directors’ committee created for the purpose of encouraging compliance with laws, regulations, rules, policies and/or organizational codes, and the principles of good corporate governance and ethical standards applicable to the Company, providing advice to Company’s Directors, Senior Managers and staff in order to ensure the proper understanding of their responsibilities and the ethical values ruling their activities, and supervising the management and analyzing the litigation strategy for pre-court, arbitration and court disputes involving YPF and its associates, among other duties. It is composed of up to 5 regular members of Board of Directors.

f) Risk and Sustainability Committee. It is a Board of Directors’ Committee 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 imply the regular performance review and continuous improvement mechanisms, among other functions. This body is made up of 5 regular Board members.

II.1.3: The Issuer has a policy in place aimed at ensuring the availability of relevant information for the Board of Director's decision-making process and a direct consultation channel for management lines, for all members alike (executives, both external and independent) in sufficient advance so as to allow for an appropriate review of its contents. Explain

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. Besides, management level officers answer inquiries and provide information requested by Directors at Board meetings.

II.1.4: The issues submitted to Board consideration are accompanied by a risk analysis associated with decisions that may be adopted, taking into account the enterprise risk level defined as acceptable by Issuer. Explain.

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.

Recommendation II.2: Ensure an effective Management Control of the Issuer.

The Company complies with this recommendation and each of its associated practices identified by the CNV listed below.

The Board of Directors monitors:

II.2.1: compliance with annual budget and business plan,

Senior managers keep the Board regularly informed about the level of compliance of the budget and business plan for the respective period.

See also the provisions of Recommendation II.1.1.1

II.2.2. performance of senior managers and compliance with the objectives set for them (level of projected versus actual profits, financial rating, quality of accounting report, market share, etc.).

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 submitting an annual report to the Board on the activity performed.

Besides, the Board regularly submits reports on the Company's business activities with relevant information to complement the accomplishment analysis of senior managers' goals.

Describe the relevant aspects of the Management Control policy of Issuer by describing techniques used and frequency of monitoring by the Board of Directors.

See Recommendation II.1.1.8

Recommendation II.3: Disclose the Board of Directors' performance assessment process and its impact

The Company complies with this recommendation and each of the associated practices identified by the CNV listed below, except for those expressly indicated.

II.3.1: Each Board member complies with the By-laws and, if applicable, the Regulations of the Board of Directors. Describe the main guidelines of the Regulations. Indicate the level of compliance with By-laws and Regulations.

Board members comply with the provisions of the By-laws and the Regulations, which establish the following:

- Meetings will be held, at least, on a quarterly basis and any changes may be made by the Chairman with justified reasons and sufficient prior notice.
- All notices of Board meetings will be made by letter, telegram, fax or e-mail sent to each of the Directors, and given at least 48 hours before the date of the meeting, and will include 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, licenses, drafting of minutes and duties and appointment of the Board of Directors' Secretary.

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

II.3.2: The Board of Directors discloses its administration results taking into account the objectives set at the beginning of the period, so that the shareholders may assess the degree of compliance with those objectives, including both financial and non-financial aspects. Additionally, the Board of Directors assesses the degree of compliance with the policies mentioned in Recommendation II, items II.1.1. and II.1.2.

Describe the main aspects of the assessment made by the General Shareholders' Meeting regarding the Board of Directors' degree of compliance with the objectives set and the policies mentioned in Recommendation II, items II.1.1 and II.1.2, stating the date of the Meeting when such assessment was submitted.

The General Shareholder's Meeting is responsible for assessing the Board of Directors' performance pursuant to the provisions in the LGS and the Corporate By-laws. Therefore, the Board of Directors considers that the assessment of its own administration is included in the assessment of the Company's administration and the results of the corresponding fiscal year. In this sense, the assessment of the Board of Directors' administration corresponding to the fiscal year closed on December 31, 2017 will 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.

The Board of Directors considers this practice is appropriate.

The Audit Committee performs an assessment of its own performance on an annual basis, and submits its result for consideration of the Board of Directors. In the future, the Company plans to include the Board of Directors' self-assessment as a better corporate governance practice.

Recommendation II.4: The number of external independent members constitutes a significant proportion on the Issuer's Board of Directors.

The Company complies with this recommendation and with each of its associated practices identified by the CNV, which are listed below, except for those expressly stated.

II.4.1: The number of executive, external and independent members (as defined by this Committee's regulations) of the Board of Directors is proportional to the Issuer's capital structure. Explain.

The Shareholders' Meeting appoints directors, whether independent or not, pursuant to Law No. 26,831 and CNV Regulations.

At present, YPF has fourteen (14) regular directors -thirteen (13) are independent (9) alternate- of which three (3) are independent, and six (6) are non-independent, three (3) of them being employees. This number of directors is 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.

It should be mentioned that under our Corporate By-laws, the Argentine Government, the only 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 by the CNV Regulations, is proportional to the Issuer's capital structure since, out of the 14 regular members of the Board of Directors, 13 are independent, representing a 92.85% of the total number of regular members of this body.

II.4.2: In the current year, the shareholders adopted, at a General Meeting, a policy to maintain the proportion of at least 20% of independent members on the total number of Board of Directors' members.

While during the current year, the shareholders did not adopt at a General Meeting a policy to maintain a proportion of at least 20% of independent members on the total number of members of the Board of Directors, as mentioned above, the Shareholders' Meeting appoints the independent or non-independent directors pursuant to Law No. 26,831 and the CNV Regulations. At present, 92.85% of regular Board members are independent, according to the appointment of authorities decided at the General Shareholders' Meeting held on April 28, 2017.

Make a description of the relevant aspects of such policy and of any shareholders' agreement that allows understanding how the members of the Board of Directors are appointed and their term of office.

Not applicable

Indicate if the Independence of Board members has been challenged during the course of the year and if there have been any abstentions on account of conflict of interests.

The independence of Board members has not been challenged during the course of the year.

Likewise, several members of the Board of Directors deemed it appropriate to refrain from voting resolutions of that body, in case they were eventually subject to the resolution approved.

Recommendation II.5: Undertake to have regulations and procedures in place for selecting and proposing members for the Issuer's Board of Directors and senior managers.

The issuer complies with this recommendation through the Compensation and Nomination Committee.

II.5.1: The Issuer has a Nomination Committee:

II.5.1.1: made up of at least three members of the Board of Directors, most of them independent,

II.5.1.2: chaired by an independent member of the Board of Directors,

II.5.1.3: that has qualified members experienced in issues related to human resources policies,

II.5.1.4: that meets at least twice a year.

II.5.1.5: whose decisions are not necessarily binding on the General Shareholders' Meeting. They only provide advice on the selection of Board of Directors' members.

The Company has a Compensation and Nomination Committee made up of five (5) regular Board of Directors' members, out of which four (4) are independent, the Chairman being an independent member. As stated in Recommendation VII.1, 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, such appointment is in the hands of the Shareholders' Meeting according to the rules and regulations in force. The Board of Directors has the power to appoint the Vice Presidents or senior managers under the provisions of the By-laws, taking into account the CEO's proposal and considering the recommendation of the Compensation and Nomination Committee and the Human Resources Vice President.

II.5.2: In case there is a Nomination Committee, it shall:

II.5.2.1: ensure that its regulations are annually reviewed and assessed, and propose modifications to the Board of Directors for their approval,

II.5.2.2: propose the development of criteria (qualification, experience, professional and ethical standing, among others) for the selection of new Board of Directors' members and senior managers,

II.5.2.3: identify the candidates for the Board of Directors to be proposed by the Committee to the General Shareholders' Meeting,

II.5.2.4: recommend Board members to be appointed for the different Board Committees according to their background,

II.5.2.5: recommend that the Chairman of the Board of Directors should not be same person as the Issuer's General Manager,

II.5.2.6: ensure that Board members' and senior managers' curriculum vitae are available on the Issuer's web site, including the terms of office of Board of Directors members',

II.5.2.7: assure a succession plan is in place for the Board of Directors and senior managers.

II.5.3: If relevant, add any policies implemented by the Issuer's Nomination Committee not mentioned in the previous section.

The Compensation and Nomination Committee verifies the annual review of its regulations and suggests any amendments to the Board of Directors for their approval; the latest amendment to the regulations was approved by the Board of Directors in April 2016.

The Chairman of the Board of Directors and the General Manager (CEO) roles are separated in accordance with the provisions in the last amendment to the Corporate By-Laws carried out in 2016.

Moreover, the Board of Directors members' and senior managers' curriculum vitae are available on the Issuer's web site, in the "All about YPF – Authorities" section.

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.

Recommendation II.6: Evaluate the convenience for members of the Board Directors and/or statutory auditors and/or members of the shareholders' surveillance committee to perform duties for several Issuers.

The issuer complies with this recommendation.

The Issuer establishes a limit for the members of the Board of Directors and/or statutory auditors and/or members of the shareholders' surveillance committee to perform duties for entities that do not belong to the economic group, of which the Issuer is a leader and/or member. Specify such limit and describe if during the year there was any violation to that limit.

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.

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

Recommendation II.7: Ensure training and career development for the Issuer's Board of Directors members and senior managers.

The Company complies with this recommendation and its associated practices.

II.7.1: The Issuer has continuous training programs in place related to the Issuer's current needs for its Board members and senior managers, including subjects about their roles and responsibilities, integrated corporate risk management, knowledge specific to the business and its regulations, corporate governance dynamics and corporate social responsibility. In the case of Audit Committee members, training is focused on international accounting, audit and internal control standards and specific capital markets regulations.

Describe the programs developed during the year and their degree of compliance.

The Company's executives and managers are regularly invited to participate in training initiatives aligned with the functional needs and with different corporate requirements.

In this sense, activities and programs are designed and carried out each year to call on the members of the Board of Directors, the Audit Committee and senior management lines of the organization.

In 2017, they were invited to the third edition of event known as "TEDxYPF", where different speeches were given addressing the "Energy in Evolution" motto.

Likewise, those who serve as Directors and Statutory Auditors at associates attended training meetings with information relevant to their responsibilities.

In parallel, and within the "YPF Leadership School" model, management teams participated in the Business Management Program, developed with the academic support of the University of Buenos Aires (UBA) and Instituto de Altos Estudios Empresariales (IAE), and the Leadership Program, given by well-known consultants and specialists.

Also, the executive and management levels were called to take mandatory training courses, under the virtual method, related to Ethics and Safety, and to participate in person in meetings related to settlement, diversity and integration of different social groups.

II.7.2: The Issuer encourages ongoing training among Board members and senior managers, through means other than those mentioned in II.7.1, in order to improve their educational background and add value to the Issuer. Indicate how this is done.

The members of the Board of Directors and the main executives of the Company actively participate at interdisciplinary meetings, where subjects related to economics, politics, regulations and other

current issues are dealt with, and also attend meetings in Chambers and professional associations to which the Organization institutionally belongs.

Also, see II.7.1.

PRINCIPLE III. ENDORSE AN EFFECTIVE POLICY FOR IDENTIFYING, MEASURING, MANAGING AND COMMUNICATING ENTERPRISE RISK

Recommendation III: The Board of Directors must have a policy on integrated enterprise risk management and monitor its correct implementation.

The Company complies with this recommendation and its associated practices. Furthermore, the Board of Directors' Risk and Sustainability Committee is in charge of establishing integrated risk management policies, monitoring their implementation and applying the relevant mitigation actions through the Risk Management Department created in fiscal year 2017.

III.1: The Issuer has policies in place on integrated enterprise risk management (fulfillment of strategic, operational, financial, reporting, statutory and regulatory goals, among others). Describe the most relevant aspects of those policies.

See Recommendation II.1.1.8.

III.2: There is a Risk Management Committee within the Board of Directors or the General Management. Inform on the existence of procedures manuals in place and describe the main risk factors specific to the Issuer or its business and the mitigation actions implemented. If there is no such Committee, then describe the supervision role performed by the Audit Committee in connection with risk management.

The Company has a Risk and Sustainability Committee of the Board of Directors whose function is to establish integrated enterprise risk management policies and to oversee their appropriate implementation, identify and assess the main risk factors that are specific to the Company and/or its business, monitor the risks and implement the corresponding mitigation actions, among other duties. It is made up of 5 regular directors of the Board of Directors.

Also, specify the degree of interaction between the Board of Directors or its Committees and the Issuer's General Management regarding the integrated enterprise risk management.

Refer to the description in Recommendation II.1.1.8.

III.3: There is an independent role as part of the Issuer's General Management responsible for implementing the integrated risk management policies (role of Risk Management Officer or equivalent). Specify.

In March 2017, the Risk Management Department was created, within the scope of the Financial Vice Presidency, in order to implement the Company's integrated risk management policies. One of its main objectives is to guarantee the correct identification of risks, the existence of a mitigation plan and risk management. It manages the Company's integrated risk map. As part of its duties, it will interact with the Audit Committee and the Risk and Sustainability Committee, as applicable, as described in Recommendation II.1.1.8.

III.4: Integrated risk management policies are regularly updated in accordance with the recommendations and well-known methodologies. Indicate which ones (Enterprise Risk Management, pursuant to the conceptual framework of COSO — Committee of Sponsoring

Organizations of the Treadway Commission —, ISO 31000, IRAM 17551 standard, section 404 of the Sarbanes-Oxley Act, among others).

Refer to the description in Recommendation II.1.1.8.

III.5: The Board of Directors reports the results of the risk management oversight performed jointly with the General Management on the financial statements and annual report. Specify the main aspects reported.

The Company complies with the International Financial Reporting Standards (IFRS), including the information related to risk management in its financial statements. Reference is made in this regard in the Financial Statements attached hereto.

PRINCIPLE IV. SAFEGUARD THE INTEGRITY OF FINANCIAL INFORMATION THROUGH INDEPENDENT AUDITS.

Recommendation IV: Assure independence and transparency in the roles assigned to the Audit Committee and External Auditor.

The Issuer complies with this recommendation and its associated practices, except for the practice mentioned in item IV.4 in which compliance is partial.

IV.1: When the Board of Directors appoints Audit Committee members taking into account that their majority must be independent, it evaluated if it convenient for the Committee to be chaired by an independent member.

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 five members of the Committee, namely all of them, are currently independent. Audit Committee members may be proposed by any of the Board members.

YPF'S Audit Committee, provided for 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 assigned to it, in particular those established by the Board of Directors.

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 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 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.
- 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 110 h) 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.

IV.2: There is an internal audit function that reports to the Audit Committee or the Chairman of the Board of Directors and is responsible for assessing the internal control system.

Refer to the description in Recommendation II.1.1.8

State if the Audit Committee or the Board of Directors annually reviews the performance of the internal audit area and the degree of independence of their professional work, meaning that the professionals responsible for such role are independent from other operating areas and also meet

the independence requirement in relation to controlling shareholders or related entities exercising a significant influence on the Issuer.

The Audit Committee conducts an annual review on the performance of the internal audit area. In this respect, on March 2, 2018 the Committee became aware of the report submitted by the Internal Auditor on the degree of progress and compliance with of the Audit Plan 2017. Likewise, the Committee received periodical information throughout 2017 on the degree of progress of the Audit Plan 2017.

Also, specify if the internal audit function performs its duties in accordance with the international auditing standards for the professional performance of the internal audit issued by the Institute of Internal Auditors (IIA).

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.

IV.3: Audit Committee members annually review the qualification, independence and performance of External Auditors appointed by the Shareholders' Meeting. Describe the relevant aspects of the procedures applied to conduct the review.

Refer to the description in Recommendations II.1.1.8. and IV.1.

IV.4: The Issuer has a policy in place on the rotation of the members of Supervisory Committee (Statutory Audit Committee) and/or the External Auditor; and in connection with the latter, if the rotation includes external audit firms or only individuals.

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

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.

The Company does not have specific policies in place on the rotation of Supervisory Committee members. Even though Article 20 of the By-laws provides that Supervisory Committee members may be elected for one fiscal year, they may be reelected.

The Board of Directors considers the rotation of Supervisory Committee members is unnecessary.

PRINCIPLE V. RESPECT SHAREHOLDERS' RIGHTS

Recommendation V.1: Ensure shareholders have access to the Issuer's information.

The Company complies with this recommendation and its associated practices. In items V.2.2., V.2.3., V.2.4 and V.2.5, compliance is partial.

V.1.1: The Board of Directors promotes periodical briefing meetings with shareholders at the time of the presentation of the interim financial statements. Specify the number and frequency of the meetings held during the year.

The Company's Board of Directors complies with the periodical briefing regimes defined by the LGS, CNV Regulations, the Argentine Securities Market (Merval) Listing Regulations, and the SEC Regulations.

Besides, the Company makes presentations of its results on a quarterly basis, which are broadcast via webcast on YPF's web site with free access by any shareholder or potential investor. These presentations remain available at YPF's web site, as well as all relevant facts and financial statements published by the Company. However, 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.

V.1.2: The Issuer has mechanisms for providing information to investors and a specialized area for handling their queries. Also, the Issuer has a web site that can be accessed by shareholders and other investors, which serves as a point of contact among them. Describe.

The Company has an information office to answer shareholders' and investor's inquiries and concerns – the Relations with Investors 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.

The Company has a web site www.ypf.com which can be accessed by shareholders and the public in general.

Recommendation V.2: Promote active participation of all shareholders.

The Company complies with this recommendation.

V.2.1: The Board of Directors takes measures to promote the participation of all shareholders at the General Shareholders' Meetings. Explain, distinguishing between the measures required by law and those offered voluntarily by the Issuer to its shareholders.

The Company complies with the publications required by the rules and regulations in force, pursuant to which all meeting notices are published in Argentina's Official Gazette, the bulletin of the Buenos Aires Stock Exchange ("BASE"), the Financial Information Highway (AIF, for its acronym in Spanish) of the Argentine Securities and Exchange Commission and a newspaper of general circulation, as well as on the SEC web site. Thus meeting notices to Shareholders' Meeting is widely available.

V.2.2: The General Shareholder's Meeting has regulations in place for conduct of business to ensure that information is made available to shareholders sufficiently in advance for decision-making purposes. Describe its main guidelines

The Company does not have any Regulations for conduct of business at Shareholders' Meetings and, at present, does not consider it is necessary, since it 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 a statutory term.

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, on 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.

V.2.3: The mechanisms implemented by the Issuer are applicable for the minority shareholders to propose matters to be discussed at the General Shareholders' Meeting in accordance with the current regulations. Explain the results.

The Company complies with the provisions of the LGS, which the Company considers sufficient to proceed upon occurrence of the described event.

V.2.4: The Issuer has policies in place to encourage the participation of more relevant shareholders, such as institutional investors. Specify.

The Company does not have any incentive policies for shareholders' participation.

Moreover, the Company complies with regulations that secure the equal participation of all shareholders. See V.2.1.

V.2.5: At Shareholders' Meetings where Board members are to be appointed the following is informed prior to voting: (i) the opinion of each of the candidates regarding the adoption or refusal of a Corporate Governance Code; and (ii) the grounds for such opinion .

The Company considers that the acceptance of the position as Director involves the obligation to comply with the Corporate Governance rules and the internal regulations of the Company applicable to such matters.

Recommendation V.3: Ensure the principle of equality between shares and votes.

The Issuer has a policy in place that promotes the principle of equality between shares and votes. Indicate the change in the composition of outstanding shares by class over the last three years.

The By-laws of the Company accept the principle of equality between the shares and votes and therefore complies with this recommendation.

The share composition by classes has remained unchanged over the last three years, and it is as follows:

Classes of Shares.	Quantity
Class A Shares:	3,764
Class B Shares:	7,624
Class C Shares:	40,422
Class D Shares:	393,260,983

Recommendation V.4: Establish mechanisms to protect shareholders against takeovers.

The Issuer complies with this recommendation within the current legal framework and its associated practices prior to the entry into force of Law No. 26.831. The Company will analyze the need to modify its By-laws regarding this matter, should it be required under the legal rules in force.

Recommendation V.5: Encourage share dispersion of the Issuer.

* As of May 8, 2014, the National Government - Ministry of Economy and Public Finance became the final holder of the shares expropriated under Law No. 26.741.

* On January 4, 2016, Decree No. 272/2015 was published in the Official Gazette, which established that the rights arising from the shares owned by the Argentine Government in YPF S.A. and in YPF GAS S.A., except for the shares that belong to the *Fondo de Garantía de Sustentabilidad del Régimen Previsional Público de Repart*Sustainability Guarantee Fund of the Argentine Public Retirement and Pension System established by Decree No. 897/07, will be exercised by the Ministry of Energy and Mining.

Recommendation V.6: Ensure there is a clear dividend policy in full force and effect.

Dividend distribution in the Issuer is transparent, although it is accomplished through mechanisms other than those provided for in the recommendation. Consequently, it partially complies with the practice associated with this recommendation in paragraph V.6.1. and complies with the practice included in paragraph V.6.2.

V.6.1: The Issuer has a dividend distribution policy set forth in the By-laws and approved by the Shareholders' Meeting establishing the conditions for dividend distribution in cash or in kind. If so, specify the criteria, frequency and conditions that must be met for payment of dividends.

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.

V.6.2: The Issuer has documented processes in place for proposing the allocation of Issuer's retained earnings resulting in the creation of legal, statutory or voluntary reserves, their carry-forward to the following fiscal year and/or payment of dividends.

Explain these processes and specify the minutes of the shareholders' meeting at which the distribution of dividends (in cash or in kind) or the non-distribution thereof was approved, if they are not established in the Corporate By-laws.

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.

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

Recommendation VI: Provide Issuer's related information to the community as well as a direct communication channel between the community and the company.

The Issuer complies with this recommendation and its associated practices, except for the one provided in section VI.2, which is partially complied with.

VI.1: The Issuer has an updated web site for public access that shows relevant information on the company (Corporate By-laws, economic group, composition of the Board of Directors, financial statements, annual report, among others) and also allows users to make general inquiries.

The Company has a particular free-access website that provides updated information on an easy, sufficient and separate basis, which is suitable to receive users' concerns.

The site is: www.ypf.com

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

VI.2: The Issuer annually submits a Corporate Social Responsibility and Environmental Report, audited by an Independent External Auditor. If so, specify the legal or geographic scope or coverage thereof and where it is available. Specify the rules or initiatives adopted in implementing its corporate social responsibility policy (the Global Reporting Initiative and/or the United Nations Global Compact, ISO 26.000, SA8000, Millennium Development Goals SGE 21- Foretica, AA 1000, Ecuador Principles, among others).

In November 2017, 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 2017, YPF continued participating as a Board member of the Global Compact Argentine Network.

Furthermore, in 2017 YPF presented its Sustainability Report, a public and voluntary document that reflects the company's commitment to business management with special focus on sustainable development in economic, environmental and social terms. This version that describes the activities carried out from January 1, 2016 to December 31, 2016, was prepared in accordance with the G4 Guide of the Global Reporting Initiative -GRI-, including the Oil & Gas sector supplement. It also included an exploratory process on 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 dialog with the company's interest groups.

The Sustainability Report was submitted to an analytical review process by Deloitte & CO S.A., which included the review of the process for identifying material aspects, the applicability of GRI guidelines and Global Compact Principles, as well as the identification of opportunities for improvement. It is published with free access both on the Company's Intranet and website.

See also Recommendation II.1.1.7.

PRINCIPLE VII. FAIR AND RESPONSIBLE COMPENSATION

Recommendation VII: Establish clear remuneration policies for the members of the Board of Directors and senior managers of the Issuer, specially taking into account any customary or statutory limitations based on the existence or non-existence of profits.

The Company complies with this recommendation, applying internal mechanisms in order to safeguard the existing legal and statutory limits for the approval of remunerations, and created an Compensation and Nomination Committee for this purpose, the structure and operation of which, for the reasons stated in each case, comply with the practices associated with this recommendation, as specified by the Argentine Securities and Exchange Commission. Moreover, the operating regulations of such Body contain tools that secure the objectivity and transparency of its actions.

VII.1: The Issuer has a Compensation Committee:

VII.1.1: that is made up by at least three members of the Board of Directors, most of them independent,

VII.1.2: that is chaired by an independent member of the Board of Directors,

VII.1.3: that has members who are qualified and experienced in human resource policy issues,

VII.1.4: that holds meetings at least twice a year

VII.1.5: whose decisions are not binding on the General Shareholders' Meeting or the Shareholders' Surveillance Committee, but only advisory regarding the remuneration for Board of Directors' members.

VII.2: If the Issuer has a Compensation Committee, it:

VII.2.1: 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,

VII.2.2: supervises that the variable component of the remuneration of the members of the Board of Directors and the senior managers is linked to the Issuer's medium and/or long term performance,

VII.2.3: reviews how Issuer's policies and practices are compared to similar companies' remuneration and benefits and recommends changes, if necessary,

VII.2.4: defines and communicates policies on retention, promotion, dismissal and termination of key employees,

VII.2.5: informs on the guidelines established to determine the retirement plans for Board of Directors' members and senior managers of the Issuer.

VII.2.6: regularly reports to the Board of Directors and the Shareholders on the actions taken and the matters dealt with at its meetings,

VII.2.7: ensures attendance of the Chairman of the Compensation Committee at the General Shareholders' Meeting where Board compensation is approved to explain the Issuer's policy regarding the remuneration of Board of Directors' members and senior managers.

VII.3: If relevant, specify those policies applied by the Issuer's Compensation Committee which have not been mentioned in the previous item.

VII.4: If there is no Compensation Committee, explain how duties described in VII.2 are performed by the Board of Directors.

The Company has a Compensation and Nomination Committee responsible for assessing and defining the compensation guidelines for the Company's CEO, senior managers and Directors of the Board of Directors holding executive offices in the Company, as applicable, and proposing the fees for the members of the Board of Directors and Supervisory Committee.

The Committee is made up of five regular members of the Board of Directors, four of which are independent, including its chairman, and 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. Committee members hold meetings at least four times a year and whenever necessary, at the request of any of its members.

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.

The Committee:

- ensures there is a clear relationship between the performance of key employees and their fixed and variable remuneration, considering the risks assumed 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. It also issues a report on its performance to 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 by section 261 of the LGS and Chapter III Title II of the CNV Regulations. The Company complies with the presentation of information on directors' remuneration established in the aforementioned CNV Regulations.

PRINCIPLE VIII. PROMOTE BUSINESS ETHICS

Recommendation VIII: Ensure Issuer's ethical conduct.

The Issuer complies with this recommendation and its associated practices.

VIII.1: The Issuer has a Code of Corporate Conduct. Specify main guidelines and whether the Code is generally available to the public. The Code is signed at least by the members of the Board of Directors and senior managers. Specify whether suppliers and customers are encouraged to follow the Code.

The Company has a Code of Ethics and Conduct and its Annex, the Regulations. Its main guidelines are to establish the Company's values and vision regarding the behavior of YPF and all its employees in the performance of their duties and their business and professional relationships. It has provisions related to human rights, equal opportunities and non-discrimination, fair and free competition, information transparency, confidential and privileged information, donations, gifts, courtesies, prohibited periods for trading YPF securities, conflict of interests and use and protection of assets.

In August 2017, the Company's Board expressly approved the incorporation of Gender Equality as a new Corporate Ethical Value in paragraph 6.1. of the Code of Ethics and Conduct of YPF S.A., according to which YPF assures that both women and men receive the same treatment and opportunities to grow within the Company, with identical conditions and possibilities, including those of economic nature, for persons holding the same offices. Moreover, it ensures access to institutional programs and benefits in equality of conditions for both genders.

The Regulations define the subjective and objective scope of application and the rules of conduct to be followed for the purchase and sale of securities and financial instruments of YPF and companies of the Group companies that publicly trade their securities. It also has provisions for the use of privileged information, relevant information and transactions concerning the company's own securities. Besides, establishes guidelines on conflict of interests, prior notice and duty of abstention.

This Code is signed by all Board of Directors' members, senior managers and employees of the Company in general. See also I.2 and 3, II.1.1.3, V.1.2 and VIII.1. It also applies to YPF contractors, subcontractors, vendors and business partners.

VIII.2: Issuer has mechanisms in place to receive reports on any illegal or unethical conduct, either personally or electronically, ensuring that any information disclosed is handled in accordance with high confidentiality, integrity, recording and maintenance standards. Indicate whether the service for receiving and evaluating reports is provided by the Issuer's staff or by independent and external professionals for greater protection of the reporting party.

The Company has an "Ethics Line" that receives reports concerning the breach or violation of the rules provided in the Company's Code of Ethics and Conduct. The receipt and evaluation service is provided by independent external professionals.

The Ethics Line is a system that allows reporting, among other things, situations and/or acts that might constitute an actual or potential breach of this Code.

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

VIII.3: The Issuer has policies, processes and systems in place for the management and resolution of the reports mentioned in item VIII.2. Describe the most relevant aspects and specify the extent of involvement of the Audit Committee in such resolutions, particularly reports about internal controls issues for accounting report purposes and acts performed by Board members and senior managers.

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

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 shall 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.

PRINCIPLE IX. ENHANCE THE SCOPE OF THE CODE

Recommendation IX: Promote the inclusion of good corporate governance practices in the By-laws.

This recommendation and its associated practices are partially complied with, without prejudice to statements below, and therefore the issuer understands that such inclusion might be unnecessary.

The Board of Directors evaluates whether the provisions of the Corporate Governance Code must be reflected, either totally or partially, in the Corporate By-laws, including the general and specific responsibilities of the Board of Directors. Specify which provisions have been actually included in the Corporate By-laws from the effective date of the Code to date.

YPF's By-laws include the provisions required by the current laws. Moreover, the Company implements policies and procedures to ensure compliance with the duty of loyalty and diligence of its directors and employees, as described in this Report. Section 16, subsection a) of Law No. 26,741 establishes that the business and affairs of YPF S.A. shall be managed in accordance with the best industry and corporate governance practices. Therefore, the Board of Directors does not deem it necessary to amend the Corporate By-laws at this time. Notwithstanding the foregoing, the Company's Board might in the future consider the possibility of including other provisions related to good corporate governance.

The Company is carrying out an ongoing improvement plan in good corporate governance practices which goes beyond the practices strictly required by current regulations, some of which have been described in this report.
