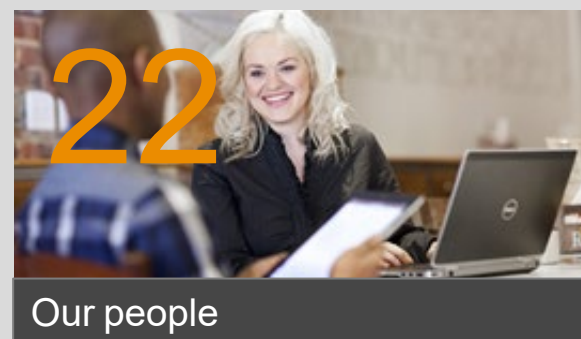
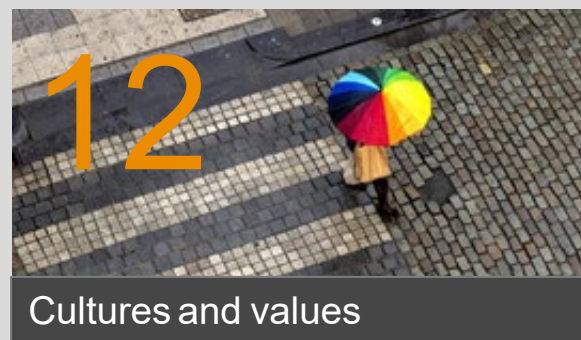
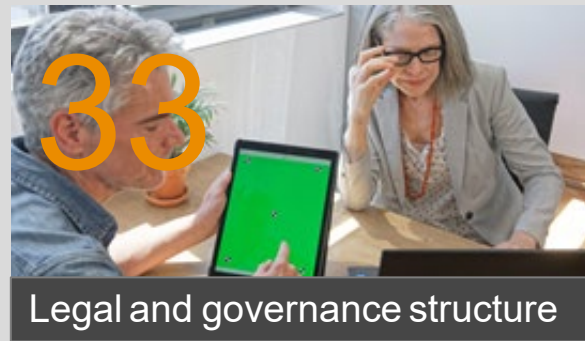


Transparency Report

Year ended June 30, 2020



Contents



Message from leadership



Welcome to our 2020 Transparency report

I am delighted to share our report with you, which includes information about how the firm is governed and includes updates on our activities. While our firm is a multidisciplinary firm, this report is primarily focused on our audit practice and related services.

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 155 countries with more than 284,000 people who are committed to delivering quality in assurance, advisory and tax services.

We are committed to drive a strong culture of quality and excellence that is core to our purpose.

I recall last year referring to our world changing quickly and working at a time of uncertainty. We would not have foreseen twelve months ago what the year 2020 would bring: from the economic and social consequences of a global pandemic to political and economic uncertainty here at home.

Back in March, as the lockdown measures came into force, we transitioned over all of our people to remote working and began supporting public and private sector organizations with the national response to COVID-19. Together with the other big four firms we contributed our audit efforts to the initiative "We become one" ("SeamosUno"). This initiative focuses on supporting those most in need.

As far as our work is concerned, we had to adapt new ways of working, including with those entities we audit. In the last few years, we have been increasing our investments in technology and communication as well as the upskilling of our people. The pandemic found us well prepared to embrace the new normal. I have been incredibly proud of the actions of our people throughout this pandemic. They have responded by finding new ways to connect and support each other and enabling our clients to continue to operate in the most difficult of times.

I also recall my last year referring to our audit profession continued to be scrutinized. There should be no doubt audit remains a critical part of our firm. It is a fundamental component of our multidisciplinary model, strategy and approach and surely remains an important part of the capital market system. Delivering high quality audits is at the center of our commitment to build trust in our society. Critical to our success is the incorporation to our firm of multidisciplinary professionals from diverse backgrounds. We believe that achieving and investing in a greater diversity of talent is not only the right thing to do but it is also making our business stronger. Indeed, the challenges of auditing during the COVID-19 pandemic have reinforced the need for the practice to retain access to high-quality specialists and remain resilient. This breadth of expertise will also be important as the audit product itself evolves in response to stakeholder needs.

If I may share a personal reflection as we look ahead. A big focus for me, my partners and the entire PwC family this year has been on the health and safety of our people, and our firm's resilience in the face of the pandemic. Now is the time to look ahead to recovery and what this means for our business and our current and future employees. There is much we can learn from the way we've adapted during the pandemic and it will be crucial to keep building agility into our business. The need for agility will drive how we work, the technology we use and the different products and services we can offer. This pandemic has demonstrated the difference it can make to some of the biggest challenges the country faces. To ensure our economy and our communities can recover, the values shown by many organizations – of responsibility, empathy, collaboration, agility and innovation - must endure.

Finally, I'd like to personally thank our people, our partners and our clients for their unwavering support and understanding during the COVID-19 crisis. Thank you and I hope you enjoy reading our report.

Santiago Mignone
Country Senior Partner (CSP)

Year in review

Mandatory training attendance

98.4%

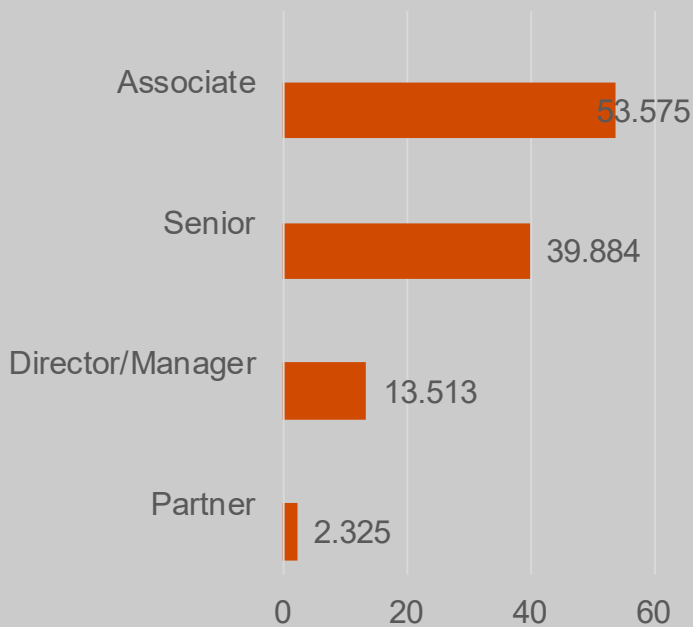
Of partners and staff have completed all mandatory training attendance in FY20

Assurance Training:

Total hours completed FY20
109,297

Total hours completed FY19
106,225

Assurance hours training per category FY20



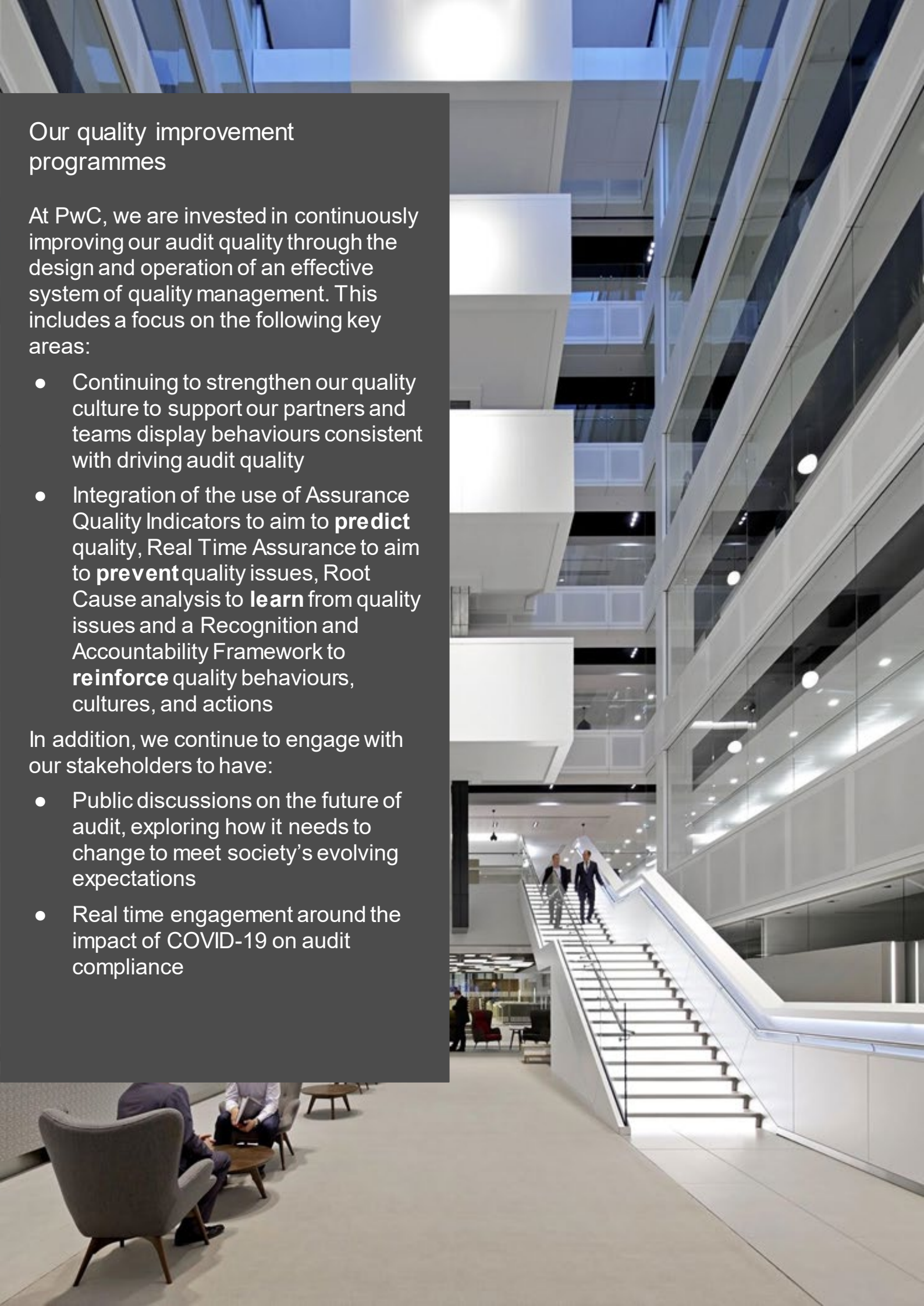
Our quality improvement programmes

At PwC, we are invested in continuously improving our audit quality through the design and operation of an effective system of quality management. This includes a focus on the following key areas:

- Continuing to strengthen our quality culture to support our partners and teams display behaviours consistent with driving audit quality
- Integration of the use of Assurance Quality Indicators to aim to **predict** quality, Real Time Assurance to aim to **prevent** quality issues, Root Cause analysis to **learn** from quality issues and a Recognition and Accountability Framework to **reinforce** quality behaviours, cultures, and actions

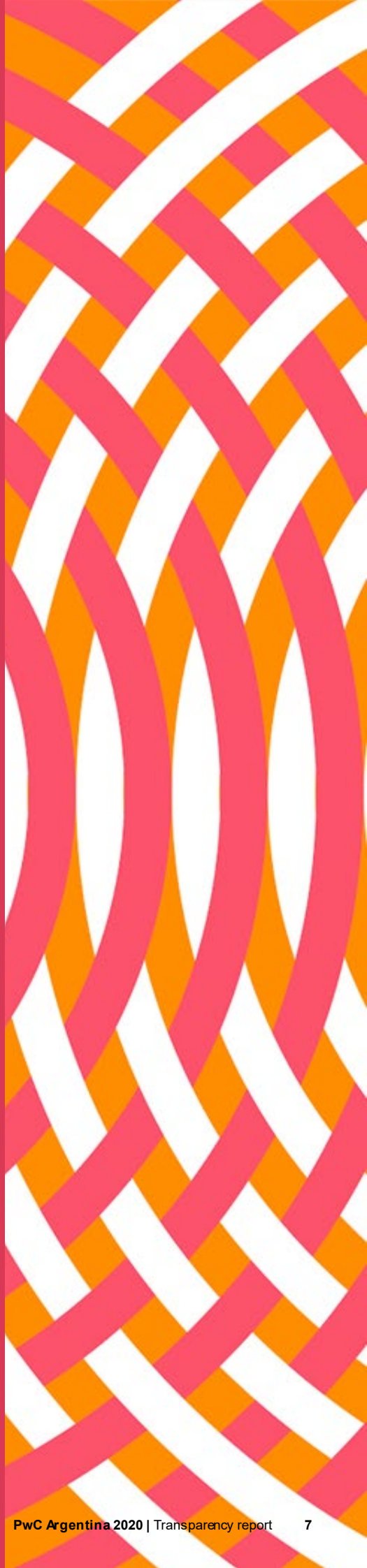
In addition, we continue to engage with our stakeholders to have:

- Public discussions on the future of audit, exploring how it needs to change to meet society's evolving expectations
- Real time engagement around the impact of COVID-19 on audit compliance





Our approach
to Quality



Our approach to delivering quality services across all our operations and network

Focus on Quality

The quality of our work is at the heart of our organisation and we invest significant and increasing resources in its continuous enhancement across all of our businesses. This investment is targeted into many different areas, including training (technical, ethical and behavioural), methodologies, adding resources in key areas and exploring new ways of delivering our work. Each investment reflects a common determination to understand the factors that drive quality and identify opportunities for enhancement.

We are also investing heavily in new technology to drive continuous improvement in the capabilities and effectiveness of all of our services.

We are proud to have been the first of the global professional services networks to have published its internal audit quality inspection results. It is very important that we are transparent about both the efforts that we are making to enhance quality, and also the results and the impact that these efforts are having. The publication of this data by our Network over the last few years, along with public discourse on the subject of the audit, has quite rightly put an increasing focus on the issue of audit quality, which we discuss in detail in this report.

Definition and culture

At PwC, we define quality service as one that consistently meets the expectations of our stakeholders and which complies with all applicable standards and policies. An important part of delivering against this quality definition is building a culture across a network of 284,000 people that emphasises that quality is the responsibility of everyone including our 2,095 people. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.

Measurement and transparency

For all our businesses, each PwC firm – as part of the agreement by which they are members of the PwC network – is required to have in place a rigorous system of quality management (SoQM); to annually complete a SoQM performance assessment; and to communicate the results of these assessments to global leadership. These results are then discussed in detail with the leadership of each local firm and if they are not at the level expected, a remediation plan is agreed with local leadership taking personal responsibility for its successful implementation.

As our services change and develop, and the needs and expectations of our stakeholders also change, we are continually reviewing and updating the scale, scope and operations of our system of quality management and investing in programmes to enhance the quality of the services that we provide.

For example, we have recently renewed our focus on 'tone at the top' of our organisation and are creating the right culture for high performance and high quality. Knowing how important tone at the top is, we are implementing an enhanced and consistent measurement of leadership effectiveness and quality right across our network.

Specific focus on audit quality

Specific focus on audit quality

Delivering quality audits is core to our purpose. To that end, we are committed to providing a quality audit. However, where our work falls below the standards that we set for ourselves and are set by the regulators, we are disappointed and also criticised. We take each of these instances very seriously and work hard to learn lessons and to enhance the quality of audits that we undertake in the future.

The right objectives and capabilities

To help us put this strategy into effect, the PwC network has established clear objectives around audit quality and provides support to help us meet these objectives. Our engagement teams can only deliver quality audit services if they have access to the necessary capabilities – both in terms of people and technology. That's why our quality objectives focus on having the right capabilities – both at a member firm level and across our network – and on using these capabilities to meet our own standards and the professional requirements. These capabilities can only be developed under the right leadership and quality culture, promoting the right values and behaviours.

Integrated and aligned in the right way

The quality objectives focus on having the right people supported by effective methodologies, processes, and technology appropriately directed and supervised. These represent the capabilities that we believe are relevant to achieving and sustaining audit quality. To help us achieve these objectives, there are a number of dedicated functions at a network level that develop practical tools, guidance and systems to support and monitor audit quality across our network. These elements have been integrated and aligned by our network to create a comprehensive, holistic and interconnected quality management framework that we tailor to reflect our individual circumstances.

Delivering a quality end-product consistently

Central to the framework is the recognition that quality management is not a separate concept; it needs to be embedded in everything we do as individuals, teams, firms and the network. The quality objectives are supported by designated key activities which are considered necessary to achieve the quality objectives, focused mainly on building a quality infrastructure and organisation. We supplement and design those key activities as appropriate to respond to risks we have identified to achieving each quality objective.

Values and judgments

Performing quality audits requires more than just the right processes. At its core, an auditor's role is to assess with a "reasonable" degree of assurance whether the financial statements prepared by the company's management are free of "material misstatements" – reaching a professional judgment on whether the financial statements present a fair picture of the company's financial performance and position. To carry out this assessment effectively, the auditor needs to use all the capabilities that have been built up in line with our quality objectives. These include applying ethical behaviour in accordance with PwC's values, professional scepticism, specialist skills and judgment – all supported by technology.

Delivering audit quality during the COVID-19 pandemic

Our response to COVID-19

This year, the global COVID-19 pandemic has had an unprecedented impact on our clients and our people, as well as global and local economies and broader society.

At PwC, in addition to safeguarding the health, safety and well-being of our people, we have remained focused on working together as a Network, with our clients and other stakeholders to continue to deliver audit quality.

Sharing developments and experience

From the early stages of the pandemic, the PwC network put a team in place to monitor developments globally and to highlight areas of critical importance to ensure we did not compromise on audit quality. We have leveraged the guidance developed by our Network to provide consistent leadership and guidance on audit quality and equip our teams to consider their client's unique circumstances and respond accordingly.

Our Network response was comprehensive. It covered all aspects of audit quality, including regulatory and standard setting updates, auditor reporting, methodology, accounting and learning and education. Using the Network guidance, we considered changes needed to our existing policies and procedures as well as what needed to be reinforced through appropriate communications to our staff and partners.

Identifying and addressing risks related to COVID-19

The COVID-19 pandemic resulted in us facing a number of new challenges in our audits. This ranged from how we operate as a team to plan and complete the audit, to how we interact with our clients to obtain the necessary audit evidence and execute specific audit procedures such as completing physical inventory counts. Supplement with additional specific challenges.

Our system of quality management provided the framework to identify, assess and respond to the risks arising from the Coronavirus situation. We used the experience and examples shared with us from across the Network to support our assessment of the issues that had the potential to impact our system of quality management.

We focused on enhanced supervision and review, the use of consultations with specialists within our firm, enhanced Real-Time Assurance programs to respond to the risks we identified.

Using technology to support our teams

Our teams transitioned quickly and seamlessly to working remotely. Our Network audit technology infrastructure and tools including our Connect Suite and collaboration through Google (see page 28 for how we use technology tools in our audits), enabled our people to continue to carry out their work despite the significant change in our physical work environment.

The impact of the COVID-19 continues to evolve. We are continuing to monitor, assess and respond to the resulting risks in our audits.



Cultures and values

Leadership and tone at the top

Our purpose and values are the foundation of our success. Our purpose is to build trust in society and solve important problems, and our values help us deliver on that Purpose. Our purpose reflects 'why' we do what we do, and our strategy provides us with the 'what' we do. 'How' we deliver our purpose and strategy is driven by our culture, values and behaviours. This forms the foundation of our system of quality management and permeates how we operate, including guiding our leadership actions, and how we build trust in how we do business, with each other and in our communities.

When working with our clients and our colleagues to build trust in society and solve important problems, we:

- Act with integrity
- Make a difference
- Care
- Work together
- Reimagine the possible

Key messages are communicated to our firm by our Senior Partner and our leadership team and are reinforced by engagement partners. These communications focus on what we do well and actions we can take to make enhancements. We track whether our people believe that our leaders' messaging conveys the importance of quality to success of our firm. Based on this tracking, we are confident our people understand our audit quality objectives.

Each Line of Service has a partner responsible for risk management and quality control.

Within Assurance, Silvia Giordano is the Assurance Risk and Quality Leader with responsibility on the Assurance Executive for risk and quality matters. Carolina García Zúniga acts as alternate Assurance Risk and Quality Partner.



Delivering service of the highest quality is core to our purpose and our assurance strategy, the focus of which is to strengthen trust and transparency in our clients, in the capital markets and wider society.

To help PwC Argentina put this strategy into effect, the PwC network has established a framework for quality management which integrates quality management into business processes and the firm-wide risk management process. The framework introduces an overall quality objective for the Assurance practice focused on having the people and processes to deliver services in an effective and efficient manner that meets the expectations of our clients and other stakeholders.

This overall quality objective is supported by a series of underlying quality management objectives and our system of quality management (SoQM) must be designed and operated so that these objectives are achieved with reasonable assurance. The achievement of these objectives is supported by a **quality management process** established by our firm and Assurance leadership, business process owners, and partners and staff.

This involves the integrated use of Assurance Quality Indicators to aim to **predict** quality issues, Real Time Assurance to aim to **prevent** quality issues, Root Cause Analysis to **learn** from quality issues and a Recognition and Accountability Framework to **reinforce** quality behaviours, culture and actions.

These programs, by design, require ongoing monitoring and continuous improvement, in particular Assurance Quality Indicators, which we expect will evolve significantly over time and as we continue to use and learn from these measures.

The Quality Management Process

This quality management process includes:

- identifying risks to achieving the quality objectives
- designing and implementing responses to the assessed quality risks
- monitoring the design and operating effectiveness of the policies and procedures through the use of process-integrated monitoring activities such as real-time assurance as well as appropriate Assurance quality indicators
- continuously improving the system of quality management when areas for improvement are identified by performing root cause analyses and implementing remedial actions and
- establishing a quality-related recognition and accountability framework to be used in appraisals, remuneration, and career progression decisions

Aim to Predict: Assurance Quality Indicators

We have identified a set of Assurance Quality Indicators (AQIs) that support our Assurance leadership team in the early identification of potential risks to quality, using metrics to aim to predict quality issues. This quality risk analysis is an essential part of our QMSE, and the AQIs, in addition to other performance measures, also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM.

Territory Assurance Leader analyses the periodical information received from the functional area leaders and monitors the evolution of the indicators. The frequency of each indicator depends on the periodicity of the procedures and monitoring (annual, semi-annual, quarterly or more frequently).

Aim to Prevent: Real Time Assurance

We have developed a Real Time Quality Assurance ("RTA") program designed to provide preventative monitoring that helps coach and support engagement teams get the 'right work' completed in real-time, during the audit. It enables us to cover both a wide range of engagements and Assurance quality indicators through our internal monitoring processes with standardisation and automation saving time and resources.

In PwC Argentina the engagement selection is based on a range of criteria including: client risk profile (HPC, PIE, etc.); individual partner results from recent inspections/reviews; targeting specific audit risks (e.g. impairment, accounting estimates, taxation etc.) and/or engagements with a particular risk/Financial Statement Line Item ("FSLI") where there are known weaknesses in execution of the related audit procedures. The focus is to identify engagements at higher risk of audit failure such that this risk can be minimized.

Public Company Accounting Oversight Board (PCAOB) LAN Centre of Excellence

The whole firm, not just the audit practice, appreciates the importance of our role as auditors. Quality drives what we do and is embedded throughout our organization. We are committed to serving the public interest and the need to maintain our independence and objectivity.

Our PCAOB LAN Centre of Excellence ("LAN CoE") based in Buenos Aires, Argentina, was established to support our Latin America Region's professionals serving clients subject to Accounting Oversight Board PCAOB audits. Our LAN CoE performs in-depth, independent reviews of selected audits each audit cycle. The LAN CoE provides challenge and guidance to the engagement teams, as part of their reviews. Typically, a LAN CoE reviewer works with the team and reports findings to the team and leadership during the reviews. We strongly believe that the LAN CoE's reviews enhance the quality of both the audit under review and other audits on which team members apply the lessons learned. The LAN CoE also provides input to our learning and development programs to benefit the rest of the audit practice, including identifying common themes and examples of good practice.

Learn: Root cause analysis

We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take actions to continuously improve. Our primary objectives when conducting such analyses is to understand what our findings tell us about our SoQM and to identify how our firm can provide the best possible environment for our engagement teams to deliver a quality audit.





We look at quality findings from all sources including our own ongoing monitoring of our SoQM as well as Network inspection of our SoQM, audits both with and without deficiencies—whether identified through our own internal inspections process or through external inspections to help identify possible distinctions and learning opportunities.

For individual audits, an objective team of reviewers identifies potential factors contributing to the overall quality of the audit. We consider factors relevant to technical knowledge, supervision and review, professional scepticism, engagement resources, and training, amongst others. Potential causal factors are identified by evaluating engagement information, performing interviews, and reviewing selected audit working papers to understand the factors that may have contributed to audit quality.

In addition, the data compiled for audits both with and without deficiencies is compared and contrasted to identify whether certain factors appear to correlate to audit quality. Examples of this data include the hours incurred on the audit, whether key engagement team members are in the same geography as the client, the number of years that key engagement team members have been on the engagement, the number of other audits that engagement partners are involved in, whether the engagement was subject to a pre-issuance review, and the timing of when the audit work was performed.

Our goal is to understand how quality audits may differ from those with deficiencies, and to use these learnings to continuously improve all of our audits. We evaluate the results of these analyses to identify enhancements that may be useful to implement across the practise. We believe these analyses contribute significantly to the continuing effectiveness of our quality controls.

Reinforce: Recognition and Accountability Framework

Our Recognition and Accountability Framework (“RAF”) reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and driving a high quality culture. It holds Partner accountable for quality outcomes beyond compliance. Our RAF considers and addresses the following key elements:

- **Quality outcomes:** We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC Network and our firm’s standards and policies
- **Behaviours:** We have set expectations of the right behaviours that support the right attitude to quality, the right tone from the top and a strong engagement with the quality objective
- **Interventions/recognition:** We have put in place interventions and recognition that promotes and reinforces positive behaviours and drives a culture of quality
- **Consequences/reward:** We have implemented financial and non-financial consequences and rewards that are commensurate to outcome and behavior and sufficient to incentivize the right behaviours to achieve the quality objectives

Ethics, independence and objectivity

Ethics

At PwC, we adhere to the fundamental principles of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants, which are:

- i. **Integrity** – to be straightforward and honest in all professional and business relationships.
- ii. **Objectivity** – to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- iii. **Professional Competence and Due Care** – to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practise, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.
- iv. **Confidentiality** – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.
- v. **Professional Behaviour** – to comply with relevant laws and regulations and avoid any action that discredits the profession.

In addition, our Network Standards applicable to all Network firms cover a variety of areas including ethics and business conduct, independence, anti-money laundering, anti-trust/fair-competition, anti-corruption, information protection, firm's and partner's taxes, sanctions laws, internal audit and insider trading. We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements. All partners and staff undertake annual mandatory training, as well as submitting annual compliance confirmations, as part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff uphold and comply with the standards developed by the PwC Network and leadership in PwC Argentina monitors compliance with these obligations.

In addition to the PwC Values (Act with Integrity, Make a difference, Care, Work together, Reimagine the possible) and PwC Purpose, PwC Argentina has adopted the PwC Network Standards which include a Code of Conduct, and related policies that clearly describe the behaviours expected of our partners and other professionals-behaviours that will enable us to build public trust. Because of the wide variety of situations that our professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal-to do the right thing.

Upon hiring or admittance, all staff and partners of PwC Argentina are provided with the PwC Global Code of Conduct. They are expected to live by the values expressed in the Code in the course of their professional careers and have a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when observing behaviours inconsistent with the Code Each firm in the PwC Network provides a mechanism to report issues. There is also a confidential global reporting option on [pwc.com/codeofconduct](https://www.pwc.com/codeofconduct) and a confidential local reporting option on <https://www.pwc.com.ar/es/acerca-de-nosotros/contactanos-etica.html> has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the Code of Conduct.

We are opposed to bribery in any form. The PwC Argentina Code of Conduct makes it clear that it is unacceptable for our people to solicit, accept, offer, promise or pay bribes. Policies, training and procedures designed to prevent bribery are in place.

PwC Argentina has an Ethics Committee comprised of 5 partners, namely, Marcelo de Nicola, Diego Sisto, Karin Reise, Juan Carlos Ferreiro and Damián Vázquez. Marcelo de Nicola is the firm's Business Conduct Leader, a role defined by the Ethics Standards. He is also a partner member of the Leadership Team and supported by a team to help the firm apply comprehensive and consistent independent policies, procedures and tools.

The PwC Code of Conduct is available on-line for all internal and external stakeholders <https://www.pwc.com.ar/es/acerca-de-nosotros/codigo-de-conducta.html>.

Objectivity and Independence

As auditors of financial statements and providers of other types of professional services, PwC member firms and their partners and staff are expected to comply with the fundamental principles of objectivity, integrity and professional behaviour. In relation to assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients.

The PwC Global Independence Policy, which is based on the IESBA International Code of Ethics for Professional Accountants, including International Independence Standards, contains minimum standards with which PwC member firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary.

PwC Argentina has a designated partner, Fernando Rodríguez (known as the 'Partner Responsible for Independence' or 'PRI') with appropriate seniority and standing, who is responsible for implementation of the PwC Global Independence Policy including managing the related independence processes and providing support to the business. The partner is supported by a small team of independence specialists. The PRI reports directly to CSP.

Independence policies and practices

The PwC Global Independence Policy covers, among others, the following areas:

- personal and firm independence, including policies and guidance on the holding of financial interests and other financial arrangements, e.g. bank accounts and loans by partners, staff, the firm and its pension schemes;
- non-audit services and fee arrangements. The policy is supported by Statements of Permitted Services ('SOPS'), which provide practical guidance on the application of the policy in respect of non-audit services to audit clients and related entities; and
- business relationships, including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and on purchasing of goods and services acquired in the normal course of business.
- acceptance of new audit and assurance clients, and the subsequent acceptance of non-assurance services for those clients

In addition, there is a Network Risk Management Policy governing the independence requirements related to the rotation of key audit partners.

These policies and processes are designed to help PwC comply with relevant professional and regulatory standards of independence that apply to the provision of assurance services. Policies and supporting guidance are reviewed and revised when changes arise such as updates to laws and regulations or in response to operational matters.

PwC Argentina supplements the PwC Network Independence Policy as required by the independence requirements of the United States Securities and Exchange Commission and those of the Public Accounting Oversight Board of the United States as applicable and of the European Commission, as set out in Regulation (EU) No 537/2014 (the "EU Regulation") where they are more restrictive than the Network's policy.



Independence - related systems and tools

As a member of the PwC Network, PwC Argentina has access to a number of systems and tools which support PwC member firms and their personnel in executing and complying with our independence policies and procedures. These include:

- The Central Entity Service ('CES'), which contains information about corporate entities including public interest audit clients and SEC restricted clients and their related securities. CES assists in determining the independence restriction status of clients of the member firm and those of other PwC member firms before entering into a new non-audit engagement or business relationship. This system also feeds Independence Checkpoint and Authorisation for Services;
- 'Independence Checkpoint' which facilitates the pre-clearance of publicly traded securities by all partners and practice managers before acquisition and records their subsequent purchases and disposals. Where a PwC member firm wins a new audit client, this system automatically informs those holding securities in that client of the requirement to sell the security where required;
- Authorisation for Services ('AFS') which is a global system that facilitates communication between a non-audit services engagement leader and the audit engagement leader, regarding a proposed non-audit service, documenting the analysis of any potential independence threats created by the service and proposed safeguards, where deemed necessary, and acts as a record of the audit partner's conclusion on the permissibility of the service; and
- Global Breaches Reporting System which is designed to be used to report any breaches of external auditor independence regulations (e.g. those set by regulation or professional requirements) where the breach has cross-border implications (e.g. where a breach occurs in one territory which affects an audit relationship in another territory).

PwC Argentina also has a number of specific systems which include:

- A rotation tracking system which monitors compliance with the Firm's audit rotation policies for engagement leaders, other key audit partners and senior staff involved in an audit.; and
- A database that records all approved business relationships entered into by PwC Argentina. These relationships are reviewed on a six monthly basis to ensure their ongoing permissibility.

Independence training and confirmations

PwC Argentina provides all partners and practise staff with annual or on-going training in independence matters. Training typically focuses on milestone training relevant to a change in position or role, changes in policy or external regulation and, as relevant, provision of services. Additionally, face-to-face training is delivered to members of the practise on an as-needed basis by PwC Argentina's independence specialists and risk and quality teams.

All partners and practise staff are required to complete an annual compliance confirmation, whereby they confirm their compliance with relevant aspects of the member firm's independence policy, including their own personal independence. In addition, all partners confirm that all non-audit services and business relationships for which they are responsible comply with policy and that the required processes have been followed in accepting these engagements and relationships. These annual confirmations are supplemented by periodic and ad-hoc engagement level confirmations for public client.

Independence monitoring and disciplinary policy

PwC Argentina is responsible for monitoring the effectiveness of its quality control system in managing compliance with independence requirements. In addition to the confirmations described above, as part of this monitoring, we perform:

- Compliance testing of independence controls and processes;

- Personal independence compliance testing of a random selection of, at a minimum, partners, directors and managers as a means of monitoring compliance with independence policies; and
- An annual assessment of the member firm's adherence with the PwC Network's Standard relating to independence.

The results of firm's monitoring and testing are reported to the firm's management on a regular basis with a summary reported to them on an annual basis.

PwC Argentina has disciplinary policies and mechanisms in place that promote compliance with independence policies and processes, and that require any breaches of independence requirements to be reported and addressed.

This would include discussion with the client's audit committee regarding the nature of the breach, an evaluation of the impact of the breach on the independence of the member firm and the need for safeguards to maintain objectivity. Although most breaches are minor and attributable to an oversight, all breaches are taken seriously and investigated as appropriate. The member firm follows the Network's policies and guidance relating to the reporting of breaches. The investigations of any identified breaches of independence policies also serve to identify the need for improvements in PwC Argentina systems and processes and for additional guidance and training.



Considerations in undertaking the audit

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality, which we believe goes hand-in-hand with our purpose to build trust in society. We have established policies and procedures for the acceptance of client relationships and audit engagements that consider whether we are competent to perform the engagement and have the necessary capabilities including time and resources, can comply with relevant ethical requirements, including independence, and have appropriately considered the integrity of the client. We reassess these considerations in determining whether we should continue with the client engagement and have in place policies and procedures related to withdrawing from an engagement or a client relationship when necessary.

Client and Engagement Acceptance and Continuance

PwC Argentina implemented a process to identify acceptable clients based on the PwC Network's proprietary decision support systems for audit client acceptance and retention (called Acceptance and Continuance ('A&C')). A&C facilitates a determination by the engagement team, business management and risk management specialists of whether the risks related to an existing client or a potential client are manageable, and whether or not PwC should be associated with the particular client and its management. More specifically, this system enables:

Engagement teams:

- To document their consideration of matters required by professional standards related to acceptance and continuance;
- To identify and document issues or risk factors and their resolution, for example through consultation by adjusting the resource plan or audit approach or putting in place other safeguards to mitigate identified risks or by declining to perform the engagement; and
- To facilitate the evaluation of the risks associated with accepting or continuing with a client and engagement.

Member firms (including member firm leadership and risk management):

- To facilitate the evaluation of the risks associated with accepting or continuing with clients and engagements;
- To provide an overview of the risks associated with accepting or continuing with clients and engagements across the client portfolio; and
- To understand the methodology, basis and minimum considerations all other member firms in the Network have applied in assessing audit acceptance and continuance.



Our people

People strategy

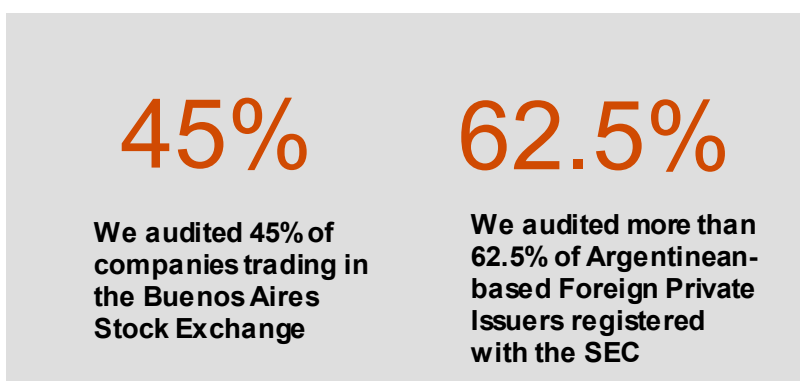
Our people strategy is focused on being the world’s leading developer of talent. We hire candidates who have diverse backgrounds and appropriate skills; have a questioning mindset and intellectual curiosity; and demonstrate courage and integrity.

Our hiring standards include a structured interview process with behaviour-based questions built from The PwC Professional framework, assessment of academic records, and background checks.

“Your Tomorrow”

Our One Firm “Your Tomorrow” strategy is how we are investing to create the PwC of the future; we are responding to the expectations of the market to deliver a different, more digital experience to our clients. There are three elements to this strategy:

- **Digital upskilling:** We provide our people with individualized learning tools to expand the use of digital solutions on their audits and empower them with a mindset of continual improvement and innovation. Our Digital Academies leverage market-leading software and focus primarily on building three core skills: data wrangling, automation, and data visualization. These tools enhance the firm’s collective digital fluency while providing each individual with a personalized curriculum to build their digital IQ. Our Digital Upskilling Team members are embedded within our engagement teams and are dedicated to applying digital capabilities to each audit, as well as developing new digital solutions for the firm.
- **Skills for society:** This is a powerful program to develop our people while making a meaningful difference in our communities.
- **Be well, work well:** Given the pace and complexity of change, the firm is putting the power of its resources toward supporting our people’s journey to greater well-being.



Number of Audit professionals by level	2020	2019
Partners	43	44
Directors/Managers	144	138
Senior Associates	314	276
Associates	620	623
Total	1,121	1,081

Diversity

People





Diversity and inclusion

At PwC, we're committed to creating a culture of belonging. We are focused on diversity and fostering an inclusive environment in which our people are comfortable bringing their whole selves to work and feel that they belong and are valued. We know that when people from different backgrounds and with different points of view work together, we create the most value-for our clients, our people, and society. Our core values of caring and working together guide us to recognize the contributions of each individual and develop a workplace with a range of people, perspectives and ideas.



Recruitment

PwC Argentina aims to recruit, train, develop and retain the best and the brightest staff who share in the firm's strong sense of responsibility for delivering high-quality services. Our hiring standards include a structured interview process with behavior-based questions built from The PwC Professional framework, assessment of academic records, and background checks. Across the firm in the FY20, we recruited 682 new people, including 221 university graduates.



Team selection, experience and supervision

On engagements, the lead partner must staff their engagements with suitably qualified, competent and experienced partners and staff. They must also determine the extent of direction, supervision and review of junior staff.



Real-time feedback

We collect real-time feedback on people performance, values and progression via our Snapshot tool, a simple. Snapshot captures data on five Assurance quality dimensions: accounting and technical knowledge, auditing skills, professional scepticism, issues management, review and supervision. We also use Workday to allow staff to provide real-time feedback on an upwards and peer basis and complements Snapshot.



Career progression

PwC Argentina uses PwC Professional, a global career progression framework. PwC Professional helps our people develop into well-rounded professionals and leaders with the capabilities and confidence to produce high-quality work, deliver an efficient and effective experience for our clients, execute our strategy, and support our brand. As part of the framework, individuals meet with their Team Leader regularly to discuss their development, progression and performance



Retention

Turnover in the public accounting profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide make our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent



Open and transparent firm feedback

PwC Argentina is committed to making sure we practice what we preach. To keep us on track, we gather real-time feedback from our people on how well the firm is living its values. We use different channels, to collect feedback several times throughout the year. We can review this results by LoS, management levels and location, which allows us to respond in a timely and targeted way.

The PwC Professional

The PwC Professional is our global leadership development framework. It supports the development and career progression of our staff by providing a single set of expectations across all lines of service, geographies, and roles; outlining the capabilities needed to thrive as purpose-led and values-driven leaders at every level

Professional Development

We are committed to putting the right people in the right place at the right time. Throughout our people's careers, they are presented with career development opportunities, classroom and on-demand learning, and on-the-job real time coaching/development. Our on-demand learning portfolio facilitates personalized learning with access to CPE and non-CPE educational materials, including webcasts, podcasts, articles, videos, and courses.

Achieving a professional credential supports our Firm's commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualized path to promotion and support them in prioritizing and managing their time more effectively when preparing professional exams. Providing our people with the ability to meet their professional and personal commitments is a critical component of our people experience and retention strategy.

Continuing education

We, and other PwC member firms, are committed to delivering quality assurance services around the world. To maximise consistency in the Network the formal curriculum, developed at the Network level, provides access to training materials covering the PwC audit approach and tools-this includes updates on auditing standards and their implications, as well as areas of audit risk and areas of focus for quality improvement.

This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning, and on-the-job support. The curriculum supports our primary training objective of audit quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a sceptical mindset.

The design of the curriculum allows us to select, based on local needs, when we will deliver the training. Our Learning & Education leader then considers what additional training is appropriate – formal and/or informal – to address any additional specific local needs, based on feedback obtained from our:

- Internal inspections process;
- Observations from the PCAOB and Financial Reporting Council (FRC) and peer reviews; and
- Surveys, focus group and post-course learning assessments.

Our manager and partners also receive industry specific training, including related to new accounting standards, when applicable. In addition, we offer our professionals non-technical training on topics such as project management, issues management and business communications.

The modular content along with innovative learning approaches have led to formal recognition from the broader learning community. In both 2017 and 2018, PwC's Learning and Education won a Brandon Hall Group silver award for excellence in the "Best Strategy for a Corporate Learning University" © 2017, 2018 Brandon Hall Group, Inc.



Our training investment in people

FY20 Total hours completed

109,297

FY19 Total hours completed

106,225

Mandatory training attendance

98.4%

Of partners and staff have completed all mandatory training attendance in FY20



Remuneration of partners

At PwC Argentina, our partners are remunerated solely out of the profits of our firm. The final allocation and distribution of profit to individual partners is made once their performance has been assessed and the annual financial statements have been approved.

Each Partner's remuneration comprises three interrelated profit dependent components:

- Responsibility income – reflecting the Partner's sustained contribution and responsibilities;
- Performance income – reflecting how a Partner and their team(s) has performed; and
- Seniority income – reflecting the number of years of the person as an active partner in the firm.

Each partner's performance income is determined by assessing achievements against an individually tailored balanced scorecard of objectives based on the partner's role and responsibilities.

Under no circumstances are partners rewarded for selling non-audit services to audit clients.



Our audit approach

PwC Argentina uses a range of cutting-edge methods, processes, technologies, and approaches to ensure continuous improvement in the performance and quality of our audit engagements



The PwC Audit

The quality and effectiveness of audit is critical to all of our stakeholders. We therefore invest heavily in the effectiveness of our audits, in the skills of our people, in our underlying audit methodology, the technology we use, and in making the right amount of time and resources available. We pay close attention to what our various stakeholders require from us, what they tell us we need to improve and to the findings of regulatory inspections on the quality of our work. Details of the most recent regulatory findings can be found in the Monitoring section. Just as important are the internal indicators and processes that routinely monitor the effectiveness of our risk and quality processes, and provide timely information about the quality of our audit work and any areas for improvement.



People

Data and technology can help reveal insights, but it takes an inquisitive person with well-rounded business knowledge to understand what those insights mean. We recruit professionals with these capabilities-people who can deliver the highest quality outcomes in terms of client service and compliance.



Technology

As technological change accelerates, our clients want to trust their information with organisations that don't merely keep up but lead the way. We've made a global commitment to offer leading audit technology, and we've invested heavily in tools to match our approach. The result is greater quality and insight to our clients.

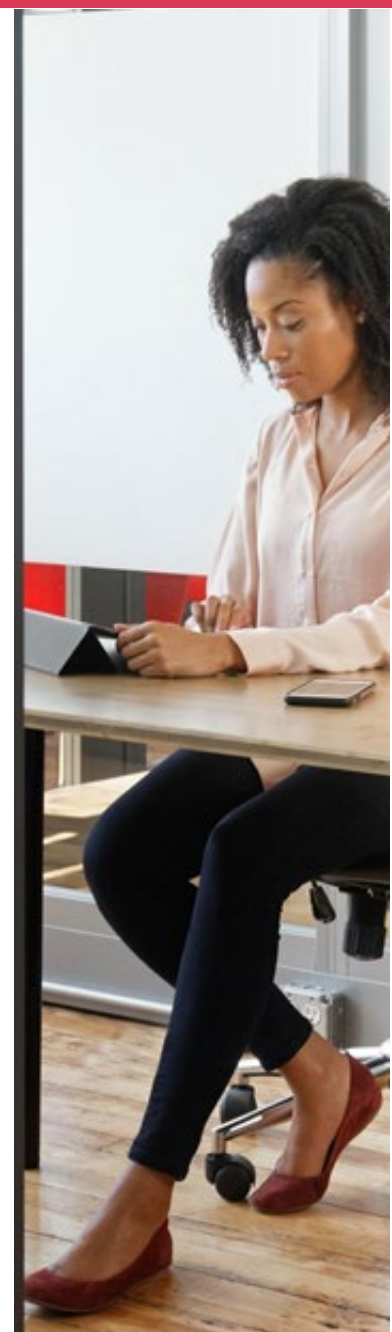


Approach

We've built our audit around our people and our technology. We've designed it to give us more time with our clients, understanding the things that matter to their business. That's more time understanding client concerns, and more time focusing on the inherent risks we see, including how they change over time and how they compare with peer companies.



The PwC Audit



Tools and technologies to support our audit

As a member of the PwC Network, PwC Argentina has access to and uses PwC Audit, a common audit methodology and process, supplemented by local regulatory requirements. This methodology is based on the International Standards on Auditing (ISAs), with additional PwC policy and guidance provided where appropriate. PwC Audit policies and procedures are designed to facilitate audits conducted in compliance with all ISA requirements that are relevant to each individual audit engagement. Our common audit methodology provides the framework to enable PwC member firms to consistently comply in all respects with applicable professional standards, regulations and legal requirements.



Aura Platinum

PwC Audit is underpinned by Aura Platinum, our global audit documentation system which is used across the entire PwC Network. Aura Platinum is the heart of how we build and execute our audit plans by supporting teams in applying our methodology effectively, by creating transparent linkage between risks, required procedures, controls and the work performed to address those risks, as well as providing comprehensive guidance and project management capabilities. Targeted audit plans specify risk levels, controls reliance and substantive testing. Smart dashboards show teams audit progress and the impact of scoping decisions more quickly.

Audit technology

Aura Platinum is supported by a series of technology-based audit support tools and templates which are accessible via a range of electronic devices ranging from PCs to smartphones. These tools increasingly integrate with Aura, populating audit evidence directly into Aura. The main tools include:



The Connect Suite is our collaborative platform where we share data, document requests and audit status. It provides fast, efficient and secure information sharing with our clients and multi-location audit teams at every stage of the audit:

- **Connect** monitors the status of requests and information between our clients and the engagement team in real time. Audit and client teams know where things stand at all times through a consolidated dashboard showing all sites, digitisation of engagement matters, and automated key performance indicators.
- **Connect Audit Manager** streamlines, standardises and automates group and component teams coordination for multi-location and statutory/regulatory audits. It provides a single digital platform to see all outbound and inbound work and digitises the entire coordination process so there's greater transparency, compliance and quality for complex multi-location audits.



Halo is our market-leading audit technology that allows us to identify and assess risks and determine where to focus audit efforts. Halo interrogates, tests and analyses huge volumes of business-critical data, analysing whole populations, spotting and visualising anomalies and trends in financial information. It enables us to analyse patterns and trends, identify unusual and high-risk transactions, and provide valuable insight to our teams and our clients.



Count facilitates the end-to-end process for inventory counts, allowing our engagement teams to create and manage count procedures, counters to record results directly onto their mobile device or tablet and engagement teams to export final results into Aura.



PwC's Confirmation System makes it easy for clients to return requested information securely. Automated, flexible technology means it works for virtually all confirmation types-from accounts receivable to derivatives to loans to inventory..





Confidentiality and information security

Confidentiality and information security are key elements of our professional responsibilities. Misuse or loss of confidential client information or personal data may expose the firm to legal proceedings, and it may also adversely impact our reputation. We take the protection of confidential and personal data very seriously.

Our focus on our clients requires a holistic and collaborative approach to reducing security, privacy and confidentiality risks with significant investment in appropriate controls and monitoring to embed an effective three lines of defence model. This model has enabled us to strengthen our information security organisation, align to industry good practice and improve our internal control frameworks.

Data Privacy

The firm maintains a robust and consistent approach to the management of all personal data, with everyone in our organisation having a role to play in safeguarding personal data, programme, and are committed. We have continued to build on our extensive Network Data Protection Programme, to embedding good data management practices across our business.

Information Security

Information security is a high priority for the PwC Network. Member Firms are accountable to their people, clients, suppliers, and other stakeholders to protect information that is entrusted to them.

The PwC Information Security Policy (ISP) is aligned with ISO/IEC 27001, financial services industry standards, and other reputable frameworks (COBIT, NIST, etc.) as benchmarks for security effectiveness across the network of Member Firms. The PwC ISP directly supports the Firm's strategic direction of cyber readiness to proactively safeguard its assets and client information. The PwC ISP is reviewed, at a minimum, on an annual basis.

PwC Argentina is required to adhere to the ISP requirements and complete an annual, evidence based assessment to demonstrate compliance. The CISO approved assessment undergoes a detailed and standardized Quality Assessment (QA) process performed by a centralized, objective Network Information Security Compliance team.

PwC Argentina has an Information Protection Committee. Leonardo Viglione is the Chairman and Data Protection Leader.

Supporting engagement performance



Evolving delivery model

We continue to evolve the way we deliver our services so our people give our clients an even better experience, improve the quality of what we do and create economic capacity to invest in the future.



Direction, coaching and supervision

Engagement leaders and senior engagement team members are responsible and accountable for providing quality coaching throughout the audit and supervising the work completed by junior member of the team, coach the team and maintain audit quality. Teams utilize Aura Platinum which has capabilities to effectively monitor the progress of the engagement to make sure that all work has been completed and reviewed by relevant individuals, including the engagement leader.



Consultation culture

Consultation is key to ensuring audit quality. While we have formal protocols about mandatory consultation, in the pursuit of quality, we regularly consult more than the minimum requirement. For example, our engagement teams routinely speak with experts in areas such as taxation, risk, valuation, actuarial and other specialities. Within Assurance, we use a consultation database that has been specifically designed to aid the enquiry and consultation process. A Technical Committee supports audit and non-audit engagement teams within Assurance to help them meet professional standards, regulatory and legal requirements. During the year ended June 30, 2020 a total of 517 consultations were dealt with covering audit, accounting and risk management issues, among others.



Quality Review Partners (QRP)

Specific audit engagements are assigned a QRP as part of the firm's system of quality management as required by professional standards. These partners, who have the necessary experience and technical knowledge and are independent of the core engagement team, are involved in the most critical aspects of the audit. For example, they may advise on matters of firm independence, risks of material financial statement misstatement and a team's responses to those risks, and specific accounting, auditing, and financial reporting and disclosure issues.



Differences of opinion

Protocols exist to resolve the situations where a difference of opinion arises between the engagement leader and either the QRP, another Assurance partner or central functions such Technical Committee. PwC Firms may consider seeking the advice of a Regional Risk Management partner ('RMP') or Global Assurance Risk and Quality partner even in situations where consultation is not required.

Monitoring

Monitoring of Assurance quality

We recognize that quality in the Assurance services we deliver to clients is key to maintaining the confidence of investors and other stakeholders in the integrity of our work. It is a key element to our Assurance strategy.

Responsibility for appropriate quality management lies with the Leadership of PwC Argentina - *the “first line of defence”*. This includes the design and operation of an effective System of Quality Management (SoQM) that is responsive to our specific risks to delivering quality audit engagements, using the Network’s QMSE framework.

Our firm’s monitoring procedures include an ongoing assessment aimed at evaluating whether the policies and procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable assurance that our audit and non-audit assurance engagements are performed in compliance with laws, regulations and professional standards - *the “second line of defence”*.

Our monitoring also encompasses a review of completed engagements (Engagement Compliance Reviews-ECR) as well as periodic monitoring of our SoQM by an objective team. The results of these procedures, together with our ongoing monitoring form the basis for the continuous improvement of our SoQM.

Our firm’s monitoring program is based on a consistent Network-wide inspections program based on professional standards relating to quality control including ISQC 1 as well as Network policies, procedures, tools and guidance.

ECRs are risk-focused reviews of completed engagements covering, on a periodic basis, individuals in our firm who are authorized to sign audit or non-audit assurance reports. The review assesses whether an engagement was performed in compliance with PwC Audit guidance, applicable professional standards and other applicable engagement-related policies and procedures. Each signer is reviewed at least once every five years, unless a more frequent review (three years) is required based on the profile of that signer’s client engagements.

Reviews are led by experienced Assurance partners, supported by independent teams of partners, directors, and senior managers and other specialists. Review teams receive training to support them in fulfilling their responsibilities, and utilize a range of checklists and tools developed at the Network level when conducting their review procedures.

Finally, the PwC Network coordinates an inspection program to review the design and operating effectiveness of our SoQM - *the “third line of defence”*. The use of a central team to monitor these inspections across the Network enables a consistent view and sharing of relevant experience across the PwC Network. A full Quality Management Review (QMR) is performed every three years with a targeted update being performed in the intervening years.

The results of the inspections are reported to our firm’s leadership who are responsible for analysing the findings and implementing remedial actions as necessary. In situations where adverse quality issues on engagements are identified, based on the nature and circumstances of the issues, the responsible partner or our firm’s Assurance leadership personnel may be subject to additional mentoring, training or further sanctions in accordance with our firm’s Recognition and Accountability Framework.

Partners and employees of our firm are informed about the review results and the actions taken to enable them to draw the necessary conclusions for the performance of their engagements. In addition, the GAQ-I Leader informs engagement partners of our firm, who are responsible for group audits involving cross-border work, about relevant quality review findings in other PwC member firms which enables our partners to consider these findings in planning and performing their audit work.

External monitoring

(a) Argentina regulators

The firm is registered and authorized to undertake statutory audit work by the Banco Central de la República Argentina (BCRA - the National Central Bank of Argentina), the Superintendencia de Seguros de la Nación (SSN - Superintendency of Insurance of the Nation) and Comisión Nacional de Valores (CNV - the Argentine National Securities and Exchange Commission).

Each year, as part of its monitoring responsibilities, the BCRA undertakes inspections of the financial institutions under its scrutiny. Under this inspection programme, the BCRA may conduct reviews of the working papers of those who perform an external control over the financial institutions, including their statutory auditors.

In September 2018 the CNV published General Resolution 762/2018 "Quality Control of External Audits" according to which the Commission may set out inspections and request clarifications. In addition, it may require external auditors to provide data and information related to acts or events related to their activity in relation to audits.

(b) Overseas regulators

PwC Argentina is registered in the following territories in order to meet local requirements in relation to the audits of certain clients:

- US
- UK

As a requirement of these registrations, PwC Argentina is subject to monitoring by the relevant regulatory bodies.

(c) PCAOB and FRC inspections

PCAOB

The PCAOB is the regulator for the audits of public companies with shares listed in the US. PwC Argentina engagements relevant to the PCAOB include SEC registrants that are Foreign Private Issuers and the Argentinean components of US or other non-US SEC registered groups.

PCAOB inspections of our public company audit practice provide a data point for audit quality and represent an important check on our internal monitoring and assessment processes.

The PCAOB reviews a relatively small percentage of our issuer audit clients annually, using a largely risk-based approach. This risk-based approach is designed to target particularly complex audit areas, industries, and clients. There are inherent differences in the method used by the PCAOB to select audits for inspection compared to that used for our internal inspections.

Part I of the PCAOB Report

Part I, which is the public portion of the PCAOB inspection report, contains an overview of the inspections procedures and observations on the engagements inspected.

Part II of the PCAOB Report

Part II of the inspection report reflects observations identified during the PCAOB's review of certain practices, policies, and processes related to our system of quality control, including observations developed from the engagement-specific findings reported in Part I. The Sarbanes-Oxley Act mandates that Part II not be made public if a firm addresses the quality control observations to the PCAOB's satisfaction within 12 months of the date of the inspection report.



The PCAOB conducted its last inspection on our firm in July 2018 covering our 2017 year-end audits. The PCAOB published its inspection report on our firm in July 2019 which contained observations in its Part II. The 12-month period to address the comments made in Part II of the report expired in July 2020.

We addressed the PCAOB's comments within the required time period. A full copy of the report can be found at www.pcaobus.org/Inspections/Reports/Pages/default.aspx.

We continue to support the mission of the PCAOB and value the insights provided by the PCAOB's inspection process.

FRC

The FRC conducted its last inspection in May 2019 covering our 2018 year-end audits of relevant clients. We received the final report on the inspection in August 2019 which assessed the work as requiring limited improvements (2A).

(d) Responding to matters raised by our Regulators

We are committed to working constructively with, and take seriously all the findings identified by the firm's regulators in relation to the quality of the firm's audit work. We establish action plans to address the findings, together with a clear time frame for their resolution, and appoint individuals to be responsible for making sure that those actions are achieved.

The agreed action plans typically involve revisions to the firm's policies and procedures, or to their application guidance, as well as making sure of the inclusion of particular topics in mandatory training events.

The Assurance leader, the Assurance Risk and Quality Leader and other partners responsible for the regulatory process within the firm, monitor progress against agreed action plans on a regular basis.

Legal and governance structure

Legal structure and ownership of the PwC Argentina

PwC Argentina operates as a Sociedad de Responsabilidad Limitada (SRL), a limited liability company under the laws of Argentina. We are registered with the Inspección General de Justicia (General Inspection of Justice) under number 7645. We are also registered as auditors as per the rules and regulations of CNV, BCRA and SSN.

We are also registered with overseas regulators such as the PCAOB of the United States of America and the FRC of the United Kingdom.

(a) Ownership of PwC Argentina

PwC Argentina is owned by individuals practicing audit, tax or consulting services in Argentina, commonly referred to as partners who hold the voting rights. There are other legal entities in Argentina named PricewaterhouseCoopers, each of which is a separate and different legal entity from the others, which provide non - audit services. These entities are also members of the same international network as PwC Argentina.

The majority of PwC Argentina's partners are registered auditors and also registered accountants with the applicable governing bodies of the accounting profession in Argentina. Some of the partners are also Certified Public Accountants licensed in the United States of America. The average number of partners during the year ended June 30, 2020 was 65.

(b) PwC Argentina office structure

PwC Argentina operates out of 4 offices located in 4 different provinces in Argentina. Our headquarters is located in the City of Buenos Aires. A full list can be found at www.pwc.com.ar.

We had approximately 2,095 people working with us during the year ended June 30, 2020.

(c) Principal lines of business

PwC Argentina operates through four principal Lines of Service (LoS). These are Assurance, Advisory, Tax & Legal and Global Outsourcing Solutions.



Governance structure of the PwC Argentina

The governance structure of PwC Argentina is made up of two main elements: a Leadership Team responsible for directing and implementing the policies and strategies of the firm and for its day-to-day management and an Oversight Board, which oversees the executive management.

(a) Leadership team

The Leadership Team is the executive group responsible for:

- Planning, development, management and control of the firm's operations;
- Implementation and customization of the global strategies and policies;
- Implementation of the policies; and,
- Implementation of the recommendations made by the firm's Oversight Board.

The principal objective is therefore promoting maximisation of the value, leadership and prestige of PwC in Argentina and globally.

As from July 1, 2015, the Leadership Team is chaired by Santiago Mignone. Santiago was elected by the firm's partners and he appoints the other Leadership Team members, all of whom are partners in the firm. Each team member has responsibility and accountability for a specific aspect of our business.

The Leadership Team provides the necessary liaison between the global structure and the firm. Each member works in coordination with the relevant global leaders and provides guidance for the adequate application of global and local strategies and policies.

The Leadership Team implements all the mechanisms necessary for the adequate planning of the operations of the firm (strategic plans and budgets) and the fair and equitable evaluation and compensation of the partners, taking into consideration the underlying objective of promoting the strength of PwC as a whole (corporate strength) and integration needs.

The CSP has, jointly with the Leadership Team, the responsibility and the authority for conducting the firm's affairs within the limits set by strategies and policies at global level. In conjunction with the other members of the Leadership Team, the CSP has the responsibility and authority to ensure the proper integration of the firm's lines of service, with the objective of enhancing leadership, and has joint management responsibility for support functions in coordination with the appropriate global leaders.



The members of the Leadership Team, who served through the year ended June 30, 2020, are shown below:



Country Senior Partner (CSP)
Santiago Mignone



Advisory
Norberto Montero



Assurance
Miguel Urus



Finance
Gabriel Martini



Markets & Communications
Martín Barbafina



Tax & Legal
Ricardo Tavieres



Human Capital
Marcelo de Nicola



(b) Oversight Board

The principal roles of the Oversight Board are to hold the firm’s Leadership Team to account and to represent the interests of partners, and as such it is a vital part of the firm’s governance structure.

The Oversight Board is made up of 3 partner members, who are elected for a term of three years by our partners.

Partners use the Oversight Board as a formal communication channel with the Leadership Team. This is achieved by holding regular meetings with partners to get their views on the firm’s overall strategy and any other issues that may be of concern.

PwC Argentina has adopted detailed policies and related rules regarding business ethics and compliance with all applicable professional standards. It strictly monitors compliance with all regulatory, professional and internal independence requirements related to financial interests, business and service relationships with clients and asks for annual confirmation of this from all relevant staff.

The members of the Oversight Board, who served through the year ended June 30, 2020 are shown below:



Mariano Tomatis
Assurance



Leonardo Viglione
Assurance



Sergio Testoni
Tax

PwC Network

Global Network

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC network. 'PwC' is often used to refer either to individual firms within the PwC network or to several or all of them collectively.

In many parts of the world, accounting firms are required by law to be locally owned and independent. The PwC network is not a global partnership, a single firm, or a multinational corporation. The PwC network consists of firms which are separate legal entities.





PricewaterhouseCoopers International Limited

Firms in the PwC network are members in, or have other connections to, PricewaterhouseCoopers International Limited (PwCIL), an English private company limited by guarantee. PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to act as a coordinating entity for member firms in the PwC network. Focusing on key areas such as strategy, brand, and risk and quality, PwCIL coordinates the development and implementation of policies and initiatives to achieve a common and coordinated approach amongst individual member firms where appropriate. Member firms of PwCIL can use the PwC name and draw on the resources and methodologies of the PwC network. In addition, member firms may draw upon the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member firms are bound to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL.

The PwC network is not one international partnership. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL or any other member firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions. PwCIL has no right or ability to control member firm's exercise of professional judgement.

The governance bodies of PwCIL are:

- **Global Board**, which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. Board members are elected by partners from all PwC firms around the world every four years.
- **Network Leadership Team**, which is responsible for setting the overall strategy for the PwC network and the standards to which the PwC firms agree to adhere.
- **Strategy Council**, which is made up of the leaders of the largest PwC firms and regions of the network, agrees on the strategic direction of the network and facilitates alignment for the execution of strategy.
- **Global Leadership Team** is appointed by and reports to the Network Leadership Team and the Chairman of the PwC network. Its members are responsible for leading teams drawn from network firms to coordinate activities across all areas of our business.

We have prepared this Transparency Report, in respect of the financial year ended 30 June 2020, in accordance with the requirements of Article 13 of the EU regulation No. 537/2014 and include any additional EU/EEA Member State regulations here.

Price Waterhouse & Co. S.R.L. is referred to throughout this report as “the firm”, “Pw C Argentina”, “we”, “our” and “us”.

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Considerations of
Article 13 of the
EU Regulation
537/2014

Article 13 considerations

This Transparency Report for our financial year ended 30 June 2020 is published in accordance with the requirements for third country auditors per Article 45 (5)(e) of the Statutory Audits Directive 2006/43/EC (Article 13 of EU Regulation No. 537/2014).



Names of other statutory auditors and countries which they operate in the Network:

Article 13(2)(b)(ii) and (iii): (ii) the name of each statutory auditor operating as a sole practitioner or audit firm that is a member of the network and (iii) the countries in which each statutory auditor operating as a sole practitioner or audit firm that is a member of the network is qualified as a statutory auditor or has his, her or its registered office, central administration or principal place of business

Member State	Name of firm	Member State	Name of firm
Austria	PwC Wirtschaftsprüfung GmbH, Wien	France	M. François Miane
Austria	PwC Oberösterreich Wirtschaftsprüfung und Steuerberatung GmbH, Linz	France	M. Yves Moutou
Austria	PwC Kärnten Wirtschaftsprüfung und Steuerberatung GmbH, Klagenfurt	France	M. Claude Palmero
Austria	PwC Steiermark Wirtschaftsprüfung und Steuerberatung GmbH, Graz	France	M. Pierre Pegaz-Fiomet
Austria	PwC Salzburg Wirtschaftsprüfung und Steuerberatung GmbH, Salzburg	France	M. Antoine Priollaud
Austria	PwC Österreich GmbH, Wien	Germany	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Belgium	PwC Bedrijfsrevisoren bv/Reviseurs d'entreprises srl	Germany	Wibera WPG AG
Bulgaria	PricewaterhouseCoopers Audit OOD	Gibraltar	PricewaterhouseCoopers Limited
Croatia	PricewaterhouseCoopers d.o.o	Greece	PricewaterhouseCoopers Auditing Company SA
Cyprus	PricewaterhouseCoopers Limited	Hungary	PricewaterhouseCoopers Könyvvizsgáló Kft.
Czech Republic	PricewaterhouseCoopers Audit s.r.o	Iceland	PricewaterhouseCoopers ehf
Denmark	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab	Ireland	PricewaterhouseCoopers
Estonia	AS PricewaterhouseCoopers	Italy	PricewaterhouseCoopers Spa
Finland	PricewaterhouseCoopers Oy	Latvia	PricewaterhouseCoopers SIA
France	PricewaterhouseCoopers Audit	Liechtenstein	PricewaterhouseCoopers GmbH, Vaduz
France	PricewaterhouseCoopers Entreprises	Lithuania	PricewaterhouseCoopers UAB
France	PricewaterhouseCoopers France	Luxembourg	PricewaterhouseCoopers, Société coopérative
France	PricewaterhouseCoopers Services France	Malta	PricewaterhouseCoopers
France	PwC Entrepreneurs CAC	Netherlands	PricewaterhouseCoopers Accountants N.V.
France	PwC Entrepreneurs Commissariat aux Comptes	Netherlands	Coöperatie PricewaterhouseCoopers Nederland U.A.
France	PwC Entrepreneurs Audit	Norway	PricewaterhouseCoopers AS
France	PwC Entrepreneurs Audit France	Poland	PricewaterhouseCoopers Polska sp. z o.o.
France	PwC Entrepreneurs CAC France	Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k
France	PwC Entrepreneurs Commissariat aux Comptes France	Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k
France	PwC Entrepreneurs France	Portugal	PricewaterhouseCoopers & Associados-Sociedade de Revisores Oficiais do Contas Lda
France	PwC Entrepreneurs Services	Romania	PricewaterhouseCoopers Audit S.R.L.
France	Expertise et Audit Lafarge	Slovakia (Slovak Republic)	PricewaterhouseCoopers Slovensko, s.r.o.
France	M. Philippe Aerts	Slovenia	PricewaterhouseCoopers d.o.o.
France	M. Jean-François Bourrin	Spain	PricewaterhouseCoopers Auditores, S.L.
France	M. Jean-Laurent Bracieux	Sweden	PricewaterhouseCoopers AB
France	M. Didier Brun	Sweden	Öhrlings PricewaterhouseCoopers AB
France	M. Anouar Lazrak	UK	PricewaterhouseCoopers LLP
France	Mme Elisabeth L'Hermite	UK	James Chalmers
		UK	Katharine Finn

Article 13 considerations



Network Statutory Auditor Turnover: Article 13(2)(b)(iv): the total turnover achieved by the statutory auditors operating as sole practitioners and audit firms that are members of the network, resulting from the statutory audit of annual and consolidated financial statements

Total turnover achieved by statutory auditors and audit firms from EU/EEA Member States that are members of the PwC network resulting, to the best extent calculable, from the statutory audit of annual and consolidated financial statements is approximately €3.2 billion. This represents the turnover from each entity's most recent financial year converted to Euros at the exchange rate prevailing as of 30 June 2020.



List of EU Public Interest Entities: Article 13(2)(f): a list of public-interest entities for which the statutory auditor or the audit firm carried out statutory audits during the preceding financial year

During the year ended June 30, 2020 PwC Argentina has signed audit opinions for the following clients:

Company Name

Grupo Clarin S.A
Cablevisión Holding S.A.

Type of Transferable Security

Depository Receipts
Depository Receipts

EU Regulated Market

London Stock Exchange
London Stock Exchange



Firm Financial information: Article 13(2)(k): information about the total turnover of the statutory auditor or the audit firm, divided into the following categories:

At PwC Argentina our wide range and size of clients come from a broad spectrum of activities, the financial sector, including banking, asset management and insurance, to industrial and commercial activities, from large multinationals to small family-run businesses and, of course, the public and institutional sectors.

Our gross revenues for audit services represent approximately 57% of our firm's total gross revenues. Tax, advisory and other assurance non-audit services represent approximately 24%, 15% and 4% of our firm's total gross revenues, respectively.

A list of the EU/EEA Public Interest Entities (defined as those incorporated outside of the EU/EEA that have transferable securities listed on a EU/EEA regulated market) for which we carried out a statutory audit during the year ended June 30, 2020 can be found below. Revenue disclosures required by Article 13 Item 2(k) are as follows:

(i) Audit Revenues earned by EU/EEA Public Interest Entities audit clients represented less than 1% of our firm's total gross revenues for the year ended June 30, 2020.

(ii) Audit Revenues earned by all other audit clients of the firm represented approximately 57% of our firm's total gross revenues for the year ended June 30, 2020.

(iii) Non-Audit Services Revenues earned by EU/EEA Public Interest Entities audit clients represented less than 1% of our firm's total gross revenues for the year ended June 30, 2020.

(iv) Non-Audit Services Revenues earned by all other clients represented approximately 43% of our firm's total gross revenues for the year ended June 30, 2020.

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