

COMMITMENTS & POLICIES

I. INTRODUCTION

These COMMITMENTS & POLICIES apply to the retention of **Franco Duarte Murillo Arredondo** in all matters, including transactions, regulatory, litigation and other legal matters, except as otherwise agreed upon with the Client. The objective of these COMMITMENT & POLICIES is to assure our Clients the highest quality legal representation while allowing them to maintain effective supervision and cost controls over all legal matters entrusted to us.

Our Clients are charged with reasonable fees. This is consequence of our low overhead, and that we stress efficiency and apply experience so that routine deals and cases are handled at market-dictated costs or below, and value is added to the more sophisticated transactions.

II. GENERAL

A. Conflicts of interest. We are sensitive both to direct conflicts of interest posed by our representation of the Client and other clients and the more indirect, but nevertheless important, conflicts that may arise from our advocacy on behalf of other clients of positions conflicting with important Client business interests.

The Client will be informed of and consulted with respect to all potential conflicts promptly, including any positions we have taken on issues which to our knowledge may be adverse, harmful or otherwise prejudicial to the interests of the Client in this or another Client matter. If we regularly represent the Client, the Client will be contacted before accepting an engagement adverse to the Client's interests even if we do not have an active Client matter at that moment.

B. The day-to-day working relationship. We will only communicate with those representatives of the Client expressly or tacitly appointed to that effect by the Client. We believe that close collaboration between the Client representatives and our Firm is critical. Accordingly, the Client representatives will be consulted on a regular basis throughout the course of our representation and will be kept fully informed on the status and proposed course of the matters assigned to our Firm. All strategic and tactical, staffing and significant resource allocation decisions about the Client legal matters will be in consultation with the Client representatives.

We understand that the Client may elect to use cost-effective internal resources/expertise for aspects of a legal matter; therefore, the Client will be consulted in advance of all contemplated significant steps in a matter.

By working closely with the Client Representatives, formal reports and letters should be kept to a minimum. In our view, the telephone or informal Email generally is the most cost-effective way of keeping clients fully informed about the status their legal matters being handled by our Firm.

In the end, we believe the time, money and other resources spent by the Client on any legal matter must be commensurate with its significance to the Client. We will work with the Client to successfully resolve its matters with dispatch and cost effectiveness.

C. Work product. Except for routine documents, documents prepared for service or filing will be sent to the Client Representatives with enough lead-time to allow for meaningful review. Final versions of all substantive work product, including research memoranda as well as any filings produced on the Client's behalf, are to be submitted to the Client



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Representatives, as will copies of all substantive file memoranda.

III. BILLING

A. Rate / Fees. At the time of our initial engagement and whenever our Firm's rates change, our Firm will furnish the Client with a schedule of billing rates for partners, associates, and legal assistants. Rates applicable to specific matters in which we have been engaged will remain in effect for the duration of that matter, absent agreement to the contrary by the Client with respect to the particular matter. Hourly rates will include all overhead costs, none of which will be included in disbursements.

The Client will be charged only a reasonable fee for legal services and no more than the lowest billing rates charged to any client receiving similar services and bills of comparable size. Generally, a reasonable fee is the product of the amount of time reasonably devoted to the matter and the customary time billing rates of those involved.

For certain matters, we will consider proposing a modified fee arrangement. We are always interested in exploring any proposals or ideas to enhance the cost-effective and successful resolution of the Client matters.

B. Disbursements. Basic support services are treated as part of our overhead and built into our rate structure. The Client, therefore, will not to pay for: billing, filing, secretarial, word processing, proof-reading, maintenance of a calendar or tickler system, maintaining databases, review of vendor, expert or local counsel billing statements, investigating potential conflicts, or other ministerial functions whether done by secretaries, para-professionals or other staff.

All internal disbursements such as internal copying, faxes, telephone, computer research, etc., will be charged to the Client at the actual unit cost to the Firm. The Client will reimburse only for actual, out-of-pocket costs without markups or overhead charges.

The Client will reimburse for actual charges billed to the Firm for deliveries (including overnight express) that are necessary in the interest of speed and reliability. We will use the lowest cost service consistent with need and reliability, and to arrange schedules, whenever practicable, so that premium-priced couriers are not required.

The Client will reimburse the actual cost of regular taxicabs, train or bus travel and parking necessitated by the Client business and not part of a lawyer's or employee's regular commutation cost.

All out-of-town travel will be booked through the Client's travel service or as otherwise agreed upon with the Client on a case-by-case basis, always selecting the lowest fare alternative within the time frame of the request without significantly inconveniencing the traveler. The Client will never reimburse for recreation fees, spa charges, pay-per-view movies, etc. Charges for non-productive travel time will be kept to an absolute minimum.

C. Other charges. Specific line item descriptions of expenses incurred on the Client's behalf, such as, expert fees, printing and the like, at their actual invoiced cost to our Firm will be acceptable. Copies of the invoices or other reasonable supporting documentation are to be attached to the bill if significant to the cost of the bill.



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The Client will not pay special charges attributable to night or weekend work or for air conditioning, lighting, clerical assistance, office machine attendants, or other costs associated with the maintenance of the Firm. The Client will never be billed for "miscellaneous" or "other" category of expenses.

D. Value added tax. Both, fees for professional services and disbursements bear Value Added Tax, currently at a rate of 16%.

IV. BILL SUBMISSION / PAYMENT

Implicit in the submission of a bill is the assurance of the billing partner of our Firm that he or she has reviewed the bill and is satisfied that the services billed were effective and efficient and produced appropriate value. The billing partner will write down time charges when necessary to produce a fee that is reasonable and proportionate to the services rendered.

The Client will be billed promptly on a monthly basis, except that quarterly billing shall be acceptable where activity and invoice amounts are under \$2,000 per month.

Invoices will be sent electronically. Each invoice issued by our Firm will include an attachment with the following information:

- the name or title of the matter;
- a unique invoice number and date;
- our tax-payer identification number;
- the inclusive dates covered by the invoice;
- a concise, meaningful description of the services rendered;
- the name, billing rate, and hours billed for each lawyer or other person whose rates comprise the fee;
- a list of disbursements and charges;
- the corresponding amount for value added tax; and
- the total amount of fees and disbursements billed-to-date (i.e. from inception) on the matter.

We expect our bills to be paid within the next thirty calendar days from their delivery to the Client.



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