

**INTERNAL
PROCEDURES
MANUAL FOR
TULLETT PREBON
MEXICO**

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INTERNAL REGULATIONS FOR TULLETT PREBON MÉXICO, S.A. DE C.V.

1. General Provisions

Tullett Prebon México, S.A. de C.V. (hereinafter referred to as TPM), shall be liable for compliance with those obligations set forth in this document.

These Regulations have as purpose the provision of all those Guidelines to which TPM shall be subject in connection with the services that it will render to its customers, always aiming at complying with the General Rules applicable to Companies that manage Systems in order to ease Transactions with Securities (the Provisions), and, specifically, with that set forth in paragraph III of the Fifth Provision as contained in the Rules aforementioned.

As the fundamental and guiding premise to these Regulations, it is of the utmost importance to emphasize that, given the legal nature of TPM as a Company that manage Systems in order to ease Transactions with Securities in terms of that, as set forth by the Securities Market Act, TPM solely participates in such transactions as a facilitator or procurer thereof, for which reason it does not take any market risks nor does it assume the capacity of a counterparty for any of its customers, in the understanding that it is the customers, themselves, who shall enter into and execute transactions with their counterparties, thus acquiring all the obligations deriving of their capacity as such at the very moment on which they agree on a transaction, thus releasing TPM from any liabilities which may result from any transaction carried out with the assistance of TPM's systems.

While a customer does not amend its original bid or does not withdraw it from the CLOB, such Bid shall be construed as fixed and firm, for which reason the customer shall be obliged to acknowledge the transaction if its bid is closed.

These Internal Regulations shall be available for all of TPM's customers, in order for the latter to be able to observe and comply with all those provisions herein set forth, in the understanding that the customers shall be obliged to adopt the mechanisms and policies set forth for purposes of facilitating or procuring transactions with securities, derivatives and any other financial assets. .

The Customers must abide by the following guidelines:

- Allow for the operation of free market prices, always abiding by and acting in terms of healthy market practices, and, should it be the case, denounce any facts that constitute a default of such practices before the competent authorities.

- Comply, at any time, with that provided by the all legal provisions in force issued by the authorities.
- Avoid any actions that constitute an infringement or violation of the laws or illegal or dishonest conducts.

Furthermore, all brokers engaged by TPM must be aware of the existence of these Internal procedures Manual, and must read the contents thereof and sign it in consent, in order to evidence and ensure that they are aware of those general guidelines set forth in this document, know how to apply them to the benefit of our customers, become acquainted with the regulations applicable to the operation of TPM's Trading Desks.

2. Procedure for Contracting with Customers

The service agreement sets forth the terms and conditions in which the rendering of the service shall take place, in the understanding that the parties to such agreement shall be bound and obliged to comply with that therein set forth. For a customer to be entitled to perform transactions by means of TPM's systems, it shall be required that such customer has previously executed an agreement with TPM. The following steps must be followed for the execution of a service agreement:

- a. The broker sends the agreement to the customer for the review thereof and, at the same time, requests delivery of the following documents:
 - Duplicate original or certified copy of the Articles of Incorporation (for instance, notarial instrument, certificate of incorporation, etc.) whereby the legal existence of the customer is evidenced.
 - Documentary evidence of registration before the Tax Authorities (such as W-8, W-9 or RFC).
 - Advance Electronic Signature (Firma Electrónica Avanzada (FIEL)), when applicable.
 - Proof of residence (address) of the corporation not older than three years
 - Document evidencing the legal authority to execute the document (for instance, – *incumbency certificate*-, resolutions whereby the officer or representative of the corporation is appointed as such – power of attorney)
 - Official identification document issued by a governmental authority for the person who shall sign the agreement on behalf of the corporation.
- b. Should the legal advisors of the customer in question have any remarks in connection with the agreement, such remarks shall be sent to the external counsel to make all pertinent amendments and, once both parties have agreed on the terms of the aforementioned agreement, a new version thereof will be drafted in order to continue with the proceeding.
- c. The broker shall obtained the information required, from the customer and will send it to the Compliance Officer and/or to the law firm that provides us with legal advice and support.

- d. Once the law firm has confirmed that all the documents have been received, they shall send an e-mail to TPM's Compliance department indicating that such information has been received and that there are no documents pending delivery or any other pending issues, for which reason the conduction of a search to prevent money laundering is hereby requested.
- e. TPM's Compliance department shall perform the search for money laundering transactions.
 - I. Should the search turn out to be successful, TPM's Compliance Officer shall inform such situation to the finance area, and deliver a copy of such communication to the external counsel and to the broker in question; in turn, the finance area shall proceed to open an account once the broker has delivered to it the format denominated "New Account Form", duly executed by the legal representative.
 - II. Should the search be unsuccessful, TPM'S Compliance Officer shall inform such situation to TPM's manager, who shall, in turn, inform the customer that the account is not to be opened.

Once the process involving the execution of the agreement has been concluded, the customer shall be entitled to receive TPM's services.

3. Coordination of Transactions

Mechanisms for trading securities and other financial assets.

Once the agreement has been duly executed, TPM shall proceed to enable the system in order for the customer to be able to access and, with the participation of its authorized staff, post, amend or withdraw bids as well as make transactions. The mechanism to be used in order for the customer to be able to perform the abovementioned activities shall require the customer to contact TPM's broker by means of a dedicated Digital Link or by means of any other messenger system widely acknowledged throughout the financial sector and allowed by TPM's internal policies.

In any case, the customer must provide the broker with all the characteristics of the transaction and the broker shall, in turn, be obliged to abide by and comply with the following rules:

- To follow, at all times, criteria that is objective and impartial in connection with the performance of his/her activities.
- To inform all of his/her customers of all anonymous and firm bids posted in the system, always promoting equality among all participants and making their best effort to ensure that his/her activities are performed terms of criteria oriented towards best execution practices.
- To act, at all times, in accordance with that set forth in the Core Policies and Procedures manual, always keeping strictly confidential the activities performed by his/her customers.

- Disclosure of the identity of counterparts to the parties participating in a transaction shall only occur once the corresponding transaction has been closed and perfected.
- Carry out any and all transactions subject to the approval of a credit (with the reciprocal acceptance of both parties). In the event that there is not a credit line sufficient for the performance of a transaction among the parties involved thereon, TPM shall proceed to look for a third party that agrees to carry out a transaction (that shall become a purchase and sale transaction) known as “Prime bank”), in order for the corresponding transaction to be closed and settlement.

a. Registration of Bids

The customer shall identify its bids by a shadow placed upon the rate in question.

Likewise, only those bids that involve amounts of, at least, a lot of those set forth in the table below. In case that any customer wishes to post a bid for an amount lower than the minimum established, it shall only be able to do so in its capacity as adhered (adherido), and in such terms as described herein below.

Any customers who wish to post bids in TPM’s systems must provide the broker, by using those communication media permitted, the following data:

1. Type of transaction: “Purchase (Call) “o “Sell (Put) “
2. Rate
3. Amount

Given that it is a common market practice that the customer omits the amount that it wished to purchase or sell, in all these cases, TPM’s broker shall consider the minimum lot corresponding to each kind of instrument, as described in the following table:

INSTRUMENT	Minimum Amount
Short Term Swaps	50 million USD
Forwards 1 week	50 million USD
Forwards > 1 week	10 million USD
IRS 3x1	500 million pesos
IRS 6x1	300 million pesos
IRS 9x1	200 million pesos
IRS 13x1	100 million pesos
IRS 26x1	50 million pesos
IRS 39x1 and thereafter	30 million pesos
Basis Swaps	10 million USD

Assuming that any customer wishes to negotiate at any value that is not displayed in the screen, said customer must inform TPM’s broker of such situation, who shall in turn, make a request thereon to

his/her data entry assistant (in the event that him/her is unable to do it him/herself, to enter the following information:

1. New line
2. Term

b. Accession to Bids

Any customer shall be entitled and authorized to access an existing bid with any amount that it wishes. In this case, the customer shall provide TPM's broker with the following instructions:

1. Line number, instrument or term.
2. Type of transaction: "I access the bid buying" or "I access the offer selling" "or any other language that would indicate an intent to access a bid".
3. Amount

c. Withdrawal of Bids

Should a customer wish to remove any of the bid(s) displayed in the screen, it must provide any of the following instructions:

1. For the withdrawal of a specific bid:
 1. Line number, instrument or term
 2. Type of transaction: "Sell out " or "Buy out, or else, "Offer out" or "Bid out"
2. For the withdrawal of all the bids:
 1. Type of transaction: "All my sales out" or "All my buys out", or else, "all my offers out" or "all my bids out" "or any other language that would indicate an intent to withdraw a bid".

d. Amendment of Bids

TPM's customers may amend their bids already entered in the system, for which purposes they must provide TPM's broker with any of the following instructions.

1. For the amendment of a specific bid:
 1. Line number, instrument or term
 2. Type of transaction: "What I sell at such rate" or "What I buy at such rate", or else, "What I sell which number of basis up or down" or "What I buy which number of basis up or down" or "any other language that reasonably conveys an intent to amend a bid"
2. For the amendment of a group of bids:
 1. Type of transaction. "What I sell which number of basis up or down" or "What I buy which number of basis up or down", or else, "all my offers at such basis up or down" or "all my bids at such basis up or down".

4. Terms, conditions and means for coordination of transactions.

a. Closing of Bids /

Whenever a customer wishes to close a bid displayed in the screen, it must provide Tullett Prebon's broker with the following instruction, verbally:

- Buy Transactions
 - Line (specify number) or instrument or term + "mine"
 - Line (specify number) or instrument or term + "pay"
 - Line (specify number) or instrument or term + "hit the offer"
 - Line (specify number) or instrument or term + "take"
 - Line (specify number) or instrument or term + "any other similar language that would indicate an intent to buy"
- Sale Transactions
 - Line (specify number) or instrument + "yours" or
 - Line (specify number) or instrument + "Receive"
 - Line (specify number) or instrument + "hit the bid"
 - Line (specify number) or instrument + "hit"
 - Line (specify number) or instrument or term + "any other similar language that would indicate an intent to sell".

When dealing with partial closures, the customer must provide Tullett Prebon's broker with the following verbal information:

- Buy Transactions
 - Line (specify number) or instrument + amount customer wishes to buy + "mine"
 - Line (specify number) or instrument + amount customer wants + "Pay"
 - Line (specify number) or instrument + "hit the offer"+ amount customer wishes to purchase.
- Sale Transactions
 - Line (specify number) or instrument + amount customer wishes to sell + "yours"
 - Line (specify number) or instrument + amount customer wishes to sell + "Receive"
 - Line (specify number) or instrument + "hit the bid" amount customer wishes to sell.

Whenever a bid displayed in the screen is hit (closed), both the amount of the bid as well as the rate in question shall "blink" for a few seconds, and once the line in question is reset upon consideration that there is no interest, whatsoever, for continuing with the transaction at such level, the rate at which the transaction was carried out shall be displayed in the right column of the screen. When dealing with a buy, such rate shall be displayed, shaded, and, when dealing with a sale, the rate shall appear within the right column of the page displayed without any further distinction.

The manners in which the customers shall be able to enter into transactions shall be the following:

i. CLOB transactions

These represent the terms of which a customer or various customers, denominated as Bidder(s) post one or several bid(s), and other(s), denominated hitter(s) close by buying or selling.

ii. Work up transactions

Typically that a bid displayed by the system is taken, such bid shall immediately “flash”. As from said moment, both the selling customer and the buying customer shall be entitled to keep participating on the same line under the same terms and conditions.

iii. Spreads

Transactions by means of which a certain sale transaction on any security, derivative or financial product is subject to the condition of payment of a difference (“spread”) determined between two terms previously agreed.

b. Disputes Arisen during Transactions

There is a possibility that more than one customer wishes to close the same bid with a difference of fractions of a second. Should the latter be the case, TPM’s broker shall indicate his/her customer that there is a dispute as to the determination of which of both customers was the first one to execute the bid, and based upon objective and impartial criteria, TPM’s broker decides which of both customer shall be the “winner”, and will proceed to inform it to the customers in question. for purposes of the adoption of resolutions to this effect, the broker must support his/her decision upon those recordings permanently made, and, even if the customers shall be entitled to listen to the recordings concerning the matter at dispute to verify the grounds for TPM’s decision, the resolution adopted by the broker shall be the only valid one on the corresponding matter.

In terms of that expressed in the above paragraph, all those customers hereby those risks deriving therefrom, and also hereby express their consent with the procedure afore described, for which reason TPM, as previously mentioned, shall never assume counterparty risks.

c. Error

It is possible that errors occur throughout the operating sessions as consequence of the following reasons, among others:

- ❖ Confusion of the customer as to the transaction it wishes to close
- ❖ Imprecisions incurred by TPM’s broker upon executing an instruction provided by the customer (such as, for instance, incorrectly providing the line number, or specifying whether the transaction was a buy or a sale)
- ❖ Errors incurred while typing information on the transaction

In the above cases, TPM’s brokers shall inform all participants that an error has been made, for which reason the transaction in question shall be considered as if it had not been closed.

Likewise, upon consideration that price vendors are to consider all those trades displayed in our screens, TPM must inform any such situation to the price vendors mentioned.

d. Confirmation of Transactions

All transactions performed by means of TPM's systems must be duly confirmed to the customers. Once the transaction has been performed and the line in question has been established, the broker in charge of each one of the accounts must provide the customer with a verbal confirmation of the characteristics of the transaction.

At the end of the trading day confirmation letters are to be issued; such letters must contain all the date and characteristics of those transactions held that day and are delivered by email to each counterparty active that day.

As concerns those transactions held and closed in the derivatives market, such transactions must also be verbally confirmed by the broker in charge thereof to his customer, setting forth those details surrounding the transaction.

There shall be two manners for confirmation of transactions held in the derivatives market with our customers:

- I. Via Bloomberg
- II. As concerns all transactions performed and held by using our derivatives systems, the confirmation of transactions shall be notified by means of the markitwire system.

In all cases, the delivery of confirmation letters must be made by the end of the day via electronic mail.

e. Use of Mobile Phones

As part of Tullett Prebon's worldwide policies, the use of mobile phone is forbidden at any trading floor. Employees are forbidden from sending or receiving phone calls, sending or receiving text messages (save in those cases involving those platforms specifically set forth in this Internal Procedures Manual), sending or opening personal e-mail messages or opening any electronic application (app) during the time they remain in trading areas.

As consequence of the above, TPM brokers shall not be allowed, for any reason whatsoever, to provide quotations or enter into transactions with their customers by means of telephone and/or electronic media, unless previously authorized by TPM.

5. Policies and Guidelines for the collection of rates, charges and commission fees for the use of TPM's services.

a. Determination of rates, charges and commission fees

All rates, charges and fees set forth and established as consideration in exchange for using TPM's services are authorized by the high management of the company upon the basis that they are competitive enough to maintain TPM in operation.

The proceeding to enter into trade agreements with customer is the following:

The broker in charge of the account negotiates the amount of the commission fees and, should it be the case, of the maximum rates payable by a customer to TPM in exchange for using TPM's services. Once an agreement has been reached among the parties, the trader in charge of each desk sends the proposal to TPM's CEO, and the latter, in turn, requests the authorization of Tullett Prebon Americas for the customer in question to start trading in such terms as set forth and agreed upon. Should the latter provide its authorization to go ahead, the corresponding agreement shall be executed and the customer shall be construed as authorized and enabled to start trading and pay those commission fees already set forth. Thus, the disclosure of rates, charges and commission fees shall be disclosed to each particular customer on each particular case, in the understanding that such disclosure must be duly documented.

As part of its commercial strategy, TPM shall be entitled and authorized to enter into specific agreements with those customers that may so require, as determine at the sole judgment of TPM; such specific agreements may include discounts, specific covenants or a grouping of certain services at a monthly fee, among others.

b. Causes for the suspension of services

In accordance with that expressly set forth in the service agreement entered into by and between the customer and TPM shall be entitled to suspend the provision of its services for any of the following reasons:

- I. Should it be the case, whenever a clearing house (cámara de compensación) notifies the Service Provider that the Customer has reached its recommended limits of risk exposure, or else, when the customer has incurred in default of its payment obligations demanded in terms of payment demands served by the clearing house, itself; and,
- II. Whenever the suspension is ordered by the CNBV, in the event that the transactions held and closed by the Customer do not abide to and comply with the applicable legal provisions, healthy market practices or whenever the market seems to be acting in a disorderly manner.

6. Disclosure of Bids or Transactions

Depending on the kind of services rendered, TPM shall disclosure the bids and facts thereof solely among its customers, in the understanding that only such customers shall become aware of the bids posted or the held and closed in terms of the confidentiality obligations set forth in these Internal Regulations. The media that TPM shall be entitled to use for such purposes may vary depending upon the needs and requirements of the customer.

Once a transaction has been closed among its customers, TPM shall disclose the information concerning such transaction in terms of the applicable laws; hence, in accordance with the ethics and conduct codes for the sector, TPM shall not be entitled to disclose such information to any parties other than the those involved in the transaction and the regulatory authorities to which it is obliged to provide with such information, as well as to those counterparties who participated in each transaction.

7. Disclosure of information to price vendors

TPM shall be obliged to render its information services on bids received and daily transactions to all price vendors, such services must be provided with identical opportunity, costs and means for delivery. The latter must be carried out within 8:00 thru 15:30 hours by means of the delivery of an electronic mail and an FTP file processed in the servers located at the offices of Tullett Prebon Americas. TPM shall deliver the relevant information to price vendors in accordance with the information services contracted by the latter and shall never, for any reason, whatsoever, reveal the names of the counterparties that entered into transactions through TPM's services.

As previously mentioned certain human errors may be involved in and affect bids or trades inherent to transactions with securities, derivatives and other financial assets; hence, in the event that an error is detected by TPM's brokers, the latter must notify such situation to Tullett Prebon Americas IT area, in order the trades/bids in question be segregated prior to be delivered to price vendors.

In the event that any error involving any bid or trade has not been detected by TPM's brokers and has already been delivered to price vendors, TPM must send them a notification saying the bid or trade observed is an error.

8. Systems and Communications

The term systems shall be meant to refer to computer and/or communication systems provided by TPM to the customer in order for the latter to be able to participate and close transactions with securities, derivatives or other financial assets, including both the hardware and the software. The disclosure of prices may also be provided by means of computer equipment property of the customer whenever it so requires; for purposes of the above TPM shall enable access to the system by means of internet of dedicated links, in both cases.

Furthermore, the service may be provided by means or media such as Bloomberg, Reuters or any other platform that allows TPM to disclose its prices, in which case TPM shall provide the latter with data feed in order for the corresponding prices to be displayed in their platforms.

Those customers that obtain computer equipment or software from TPM shall make sure that the corresponding software is load in the computer equipment. TPM shall provide any "trader" authorized by the customers with the user keys and passwords (managed by TPM) required accessing our systems,

in the understanding that it shall only be permitted to sign into the systems with a sole key and password per attempt.

In the event that the customers wish to consult information kept in our information platforms (such as those of Bloomberg and Reuters) , enabled to distribute and disclose our price, the broker that manages the account shall request the customer those data required in order to access the system through the aforementioned platforms, and once it has been verified that the data provided are correct, the “trader” in question shall be enabled to verify and consult our prices in real time and thus, to enter into a close transactions by means of our systems.

As refers to voice systems, there are two manners in which we keep in touch with our customers: i) Dedicated Links, ii) Dial-up lines. In both cases, the connection is achieved through a central communication system (“turrets”) or by setting-up an individual speaker (link box) at the offices of the customer.

In all cases, the customers shall be warned and aware of the fact that the computer equipment delivered to them by TPM must only be used in connection with the service to be rendered by the latter, in the understanding that the customer shall not be allowed to add any equipment, accessory of software without the previous consent of TPM, and that it shall be obliged to return the aforementioned computer equipment in the same conditions in which it was delivered to the customer, except for the normal wear and tear. TPM, on the other hand, must replace all computer equipment that does not work properly and that prevent the customer from carrying out transactions through TPM’S systems

This Internal Procedures Manual expressly sets forth that the information provided by TPM to its customers through its systems must not be considered as a recommendation or suggestion for the user to take decisions in connection with transactions; therefore, those obligations resulting from the execution and closing of transaction shall only be imputable upon TPM’s customers, for which reason the latter hereby commit to release and compensate TPM from and against any claim or suit filed against it by any third parties.

By means of the use of voice and data systems, users shall provide TPM’s authorized staff with instructions to post in the system those bids requested by the first ones, and to execute, in the name and on behalf of the customers, the instructions provided by the latter for the closing of transactions and formalization of facts. Thus, those instructions provided by the user to TPM’s brokers, whether by phone or by any other means duly acknowledged in the financial sector and permitted by TPM’s internal policies, shall be construed as personally recorded by the user, and hence, shall be construed a as an indemnity for TPM’s personnel, in the understanding that the execution of the instructions were carried out as requested.

9. Compliance Officer

The Compliance Officer must be designated, suspended or removed by the Board of Directors of TPM, shall be liable for and entrusted with surveilling the development of the activities of the Society and verifying compliance with all that provided in the General Provisions issued by the CNBV(CNBV), and any

and all legal provisions applicable to the company. He/she shall attend to the meetings of the Board of Directors with the right to speak but without the right to vote. Asistirá a las sesiones del Consejo de Administración con voz pero sin derecho a votar.

The Compliance Officer must be a person that is not involved, in any manner, whatsoever, in the operation of TPM and, in accordance with that provided by the General Provisions issued by the CNBV, it must fulfill the following requirements:

- I. To be a resident of Mexico's territory in such terms as provided by the Federal Tax Code.
- II. To have wide expertise and knowledge on financial or administrative matters.
- III. To be acknowledged as technically capable and honorable and have an impeccable credit rating.
- IV. To have rendered his services for at least five years on positions involving the adoption of important and key decisions.
- V. Not being involved in any pending litigation with TPM.
- VI. Not being prevented from performing any inspection, surveillance or compliance tasks on TPM.
- VII. Not having been convicted, by means of a final judgment, of any serious property offense, or not being forbidden from exercising trading activities or from being appointed for an employment, position or commission in the public sector or in the Mexican financial sector.
- VIII. Not having been declared bankrupt or in suspension of payments without having been rehabilitated and reinstated.
- IX. Not to have any conflicts of interest or interests contrary to those of TPM.

The obligations of the Compliance Comptroller, as per that provided by the General Provisions issued by the NBSC, include the following:

- I. Surveillance of compliance with that provided by the applicable laws and provisions.
- II. Provide the CNBV with a quarterly report on the compliance of his/her duties, as well as with an immediate report on any irregularity or any transactions of which he/she becomes aware in the exercise of his/her position.
- III. Analyze the Report of the Examiner(s) of Accounts and the dictums issued by the external auditors, providing his/her opinion thereon, in writing, to the Board of Directors.

The Compliance Officer must prepare, on a quarterly basis, his/her report for the Board of Directors and shall be liable for any default in which him/her may incur in the exercise of his/her position, in the understanding that he/she may be assessed a penalty determined in accordance with that set forth in these regulations. Such report must contain, as minimum, a description of the following items:

- I. Compliance with all policies and procedures;
- II. Information on all of his/her inquiries and on any tests for the period still pending;
- III. Any relevant changes in the policies and procedures occurred since the date of the previous report;
- IV. A recommendation for generating relevant changes in the policies and procedures as consequence of an annual review; the latter, in the understanding that the rationality of such

recommendation, and whether such policies and procedures shall be or may be amended by the Company, in order to incorporate such recommendation, and,

- V. Any relevant issues concerning compliance matters identified since the date of the last report.

The abovementioned report must be delivered to the National Banking and Securities Commission not later than five working days after its filing before the Board of Directors of TPM.