

COMPREHENSIVE  
RISK MANAGEMENT



**TUTOR  
NEGOTIA®**

Investment Risk Management

## General

### Tutor Negotia S de RL de CV

"We are a Mexican firm with a high global profile, specialized in investment risk management, we create and develop sustainable environments."

We have more than 30 years of experience being a team of financial audit, internal control, transaction due diligence, financial risk assessments, pre-investment studies, divestiture consulting, mergers and acquisitions, assurance and fraud risk prevention.

We have been involved in large-scale projects for the management of permits and licenses to operate in different areas such as hydraulic, energy, hydrocarbons and real estate.

We represent a pillar of support in the strengthening, balance and identification of risks, their adequate treatment and prevention, in order to build an environment of harmony between the entity, its human and financial resources and the interaction with its economic environment.

Tutor Negotia orients its services to decision making on the development of projects of any magnitude, using financial valuation techniques, environmental and social impacts, as well as the management of risks associated with the development, transforming knowledge into value

The transversal objective is to fulfill the commitment to transform knowledge into value for our clients and their market, our strategy is to keep in continuous contact with the needs and concerns of your business, with the intention of providing useful information and help in the management of daily decision making, we are part of the business residence, sensitive to the new era and its way of doing business.

Alfonso Humberto Ruelas Ramos  
CEO  
Negotia Tutor  
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## Our services

### 1. Financial Risk Analysis

Tutor Negotia works as a team with investors, financial entities and companies for the issuance of opinions derived from financial risk studies. There are inherent risks in organizations derived from their own activity and they are called business, economic or entrepreneurial risks. In addition to these types of risks, there are those of financial origin, which have an increasing influence on the internal and external management of economic entities.

Among the financial risks we can mention market risk, economic risk, interest rate risk, exchange rate risk, inflation risk, business risk, interest rate risk, fraud risk, business continuity risk, legal risk, tax risk, among others, that we can identify with a professional study for the purpose of those interested in financial transactions, such as mergers, acquisitions, valuations, sales and disposals of shares, among others.

### 2. Transaction Due Diligence

Tutor Negotia's experience in Transaction Due Diligence meets international performance standards, ranging from the validation of financial, legal, tax, operational, regulatory information, operating licenses and permits to the validation of complex business models and investigation of sellers and buyers to rule out or validate risks related to blacklists of any country and agencies.

We cover different angles and points of view of the investor, buyer or seller, we have worked in due diligence of transactions for private equity funds, corporations and agencies such as the USDA - United States Trade and Development Agency; to our experience we add the high value advice for clients that we have prepared for a due diligence with 100% successful results.

When a transaction is made for merger, acquisition, sale, financing of any entity, project or business unit, an investigation process must be carried out to allow the parties involved a comprehensive view of all aspects of the company. This process is known as due diligence of the transaction under relevant aspects such as expert, diligent, professional and confidential consulting.

The results obtained from the due diligence will allow the reduction of investment risks due to non-visible or hidden factors, overvaluations, contingencies or infallible commercial impairment, as well as the certification of accounts and items related to the Financial, Tax, Legal, Labor, Commercial Relations and Portfolio Value aspects, validation of the Flows, as well as the Master, Technical and Operational Plan.

As far as the seller is concerned, the Due Diligence allows him to:

- The identification of relevant aspects for decision making in the context of the transaction and preparation of a Strategic Plan for the Divestment.
- Optimize the process in relation to costs, personnel and losses due to inexperience.
- Discretionality.
- Value creation and professional support for the Transaction through the valuation of brands, portfolios, assets and other TN professional assisted techniques.
- To have a professional sales, communication and representation plan with the most valuable Target Objective.
- To offer the future buyer an independent view on relevant aspects such as the quality of EBITDA, net debt and working capital, cash flow generation capacity, analysis of investments in assets (historical capex) and of the future investment plan, analysis of the business plan (soundness and sensitivities/strengths), etc.
- Tax and legal assistance before, during and after the transaction.

### 3. Underwriting services

This service helps mitigate risks and seize new opportunities for your company. Because timely information is crucial to deciding what risks an organization should take, leaders need assurance beyond that provided by the financial statement audit alone. With the assurance that we provide as independent specialists, the key information of the risks of your business that are difficult to quantify or measure, help to make timely and accurate decisions, in addition, achieving that the organization that leads or represents including its stakeholders such as shareholders, creditors, regulators, society among others, obtain a greater degree of certainty of the performance of its institutional management.

In **Audit and Assurance** we have a deep experience in various sectors and industries, we have advised companies with different characteristics in the planning of the audit of financial statements, ranging from family businesses and medium-sized companies, to transnational organizations listed on the Mexican Stock Exchange and other capital markets.

### 4. Internal Control

TN's internal control services base their performance on high profile standards in order to detect within a desired time frame, any deviation from the profitability objectives established for each company and to prevent any event that may prevent the achievement of the objectives, the obtaining of reliable and timely information and compliance with laws and regulations in force.

Internal controls promote efficiency, reduce the risk of asset impairment, and help ensure the reliability of financial statements and compliance with applicable laws and regulations in force.

Our assurance team evaluates the internal control of the business cycle required by the client, however, as part of our basic methodology we show the following performance analysis concepts:

- ✓ Analysis of the client's industry and its performance.
- ✓ Gathering of information on the processes and sub-processes related to each cycle to be reviewed.
- ✓ Implementation or strengthening of the COSO Conceptual Framework and SOX Law.

## 5. Accounting, Financial and Forensic Auditing Expert Reports

At TN we have registered expert accountants and forensic auditors who are experts in the investigation and prevention of fraud that are registered with the courts, we have the capabilities and credentials to initiate the process of investigating financial crimes in your organization.

This concept of forensic auditing is used to describe investigations with a financial and accounting focus, in order to obtain evidence of the occurrence of potential fraud or errors that have an economic impact on an organization. It is responsible for generating professional information obtained with specialized techniques and procedures that will help in decision making and improvement of the control environment, also provides objective evidence for possible legal proceedings or litigation.



## 6. Sustainability, Risk Management and Permitting

In compliance with Mexican environmental authorities, Tutor Negotia establishes plans and actions for the prevention, remediation and treatment of possible environmental impacts resulting from the development of any project.

The feasibility studies developed by Tutor Negotia guide the decision-making process regarding the development of a project of any magnitude, using financial valuation

techniques, environmental and social impacts, as well as the management of risks associated with the development. The aim is to provide the qualitative and quantitative elements of impact, as well as the probability of its occurrence, so that the promoter has sufficient elements to make decisions prior to the formalization of executive projects.

We characterize through detailed studies and analysis of information from existing secondary sources the physical conditions of sites for possible investment developments. Our group of specialists, experts in climate, geological and environmental resilience issues, make sure to carry out a thorough analysis of the variables that characterize any environment where an investment is intended to be developed, thus providing the baseline conditions for the prevention of potential risks that could affect the intervention of any development.

Expertise:

- ✓ Pre-investment studies
- ✓ Investment portfolios
- ✓ Social Impact Assessment (SIA)
- ✓ Engineering design and development
- ✓ Economic feasibility studies
- ✓ Executive technical projects
- ✓ Geotechnical studies
- ✓ Hydrological studies
- ✓ Plant and animal biodiversity studies
- ✓ Geophysical and soil mechanics studies
- ✓ Oceanographic and bathymetric studies
- ✓ Climate resilience studies
- ✓ Flora and Fauna Monitoring
- ✓ Justifying technical studies for land use change
- ✓ GIS mapping for characterization of physical and natural site conditions
- ✓ Identification and management of environmental impacts
- ✓ Environmental Impact Statement Regional/Particular modality

## 7. Project management under a risk management model.

Risk management is the means by which uncertainty is systematically managed in order to decrease the probability of occurrence of negative outcomes and increase the probability of achieving project objectives. "The Qualitative and Quantitative Risk Analysis" seeks to prioritize which will be the most dangerous risks that could negatively impact project objectives. Managing this information supports decisions such as: cancellation of projects, allocation of resources, delay in the completion of activities, extension of the scope of a project, etc., it is essential for the success of projects to identify from their design the possible scenarios that may arise.

At Tutor Negotia we specialize in giving value to information variables, our study sources and knowledge allow us to identify possible scenarios at each stage of project development, experience in cost estimation, process mapping and reengineering techniques, quantification of impacts and their occurrence risks, qualitative and quantitative analysis through the use of mathematical probability models and risk management software, allows us to evaluate a large number of possible interactions, and thus establish strategies to manage the most appropriate treatment for risks and their impacts.

## 8. Site selection feasibility

We characterize through detailed studies and analysis of existing secondary source information, the physical conditions of sites for potential investment developments. Our group of specialists, experts in climate, geological and environmental resilience issues, make sure to carry out a thorough analysis of the variables that characterize any environment where an investment is intended to be developed, thus providing baseline conditions for the prevention of potential risks that could affect the intervention of any development.

- ✓ Engineering design and development.
- ✓ Economic feasibility studies.
- ✓ Executive technical projects.
- ✓ Geotechnical studies.
- ✓ Hydrological studies.
- ✓ Plant and animal biodiversity studies.
- ✓ Geophysical and soil mechanics studies.
- ✓ Oceanographic and bathymetry studies.
- ✓ Climate resilience studies.
- ✓ Flora and Fauna monitoring.
- ✓ Technical studies justifying land use change.
- ✓ GIS mapping to characterize physical and natural site conditions.

## 9. National regulatory evaluation and link with international standards

Mexico has been at the forefront when it comes to international treaties; national regulations have been evolving in retaking existing best practices. At Tutor Negotia we understand that, in the development of large-scale projects, respect for indigenous communities and peoples, as well as human rights, the efficient use of natural resources, care for biodiversity, the participatory approach to community and the care of cultural heritage, are fundamental for the sustainability of any project, taking the best practices by linking international performance standards, we minimize negative impacts from early stages of project development. Through the extensive experience of the work team in the development of studies and analysis of international treaties, as well as the extensive knowledge of regulations and standards of public works, environmental issues and social impact at national level, Tutor Negotia specializes in the analysis of the applicable regulatory framework for any project, through legal and regulatory compliance establishes the requirements, courses of action and strategies for the feasibility of project execution. Our objective is to identify the applicable regulations, minimize the risks and any possible restriction during the execution of the project, allowing from the early stages of any project, to identify the level of normative feasibility in legal, environmental and social issues.

Our goal is to identify the applicable regulations, minimize risks and any possible restrictions prior to and during the execution of the project.

***\* These services are presented in an illustrative but not limiting manner since we have a wide portfolio of services that you can visit on our website***

[www.tutornegotia.com](http://www.tutornegotia.com)



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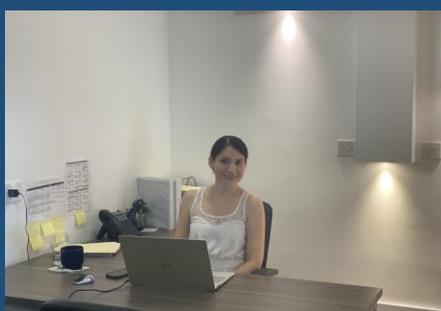
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Marcia Meza, es Contadora y Auditora con 25 años de experiencia en transnacionales y es miembro del BOARD

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