

THE MEXICO EQUITY AND INCOME FUND, INC.

Procedures Governing Transactions with Affiliated Brokers

(Rule 17e-1 Procedures)

I. Affiliated Brokerage Transaction Prohibitions

The Mexico Equity and Income Fund, Inc. (the "Fund") is registered as an investment company under the Investment Company Act of 1940, as amended (the "1940 Act"). Acci Worldwide, S.A. de C.V. (the "Adviser") is the adviser of the Fund. Section 17(e) of the 1940 Act regulates the compensation affiliated persons may receive when acting as agent or broker for a registered investment company. Section 17(e)(1) of the 1940 Act provides that, when purchasing or selling any property as agent to, or for the company, an affiliate may not accept any compensation (other than a regular salary from the company); except in the course of the person's business as an underwriter or broker. Section 17(e)(2) of the 1940 Act provides that, when acting as a broker in connection with the sale of securities to or by the company, the affiliate may not receive any compensation exceeding certain limits.

This document constitutes the written procedures (the "Procedures") that the Board of Directors of the Fund, including a majority of the Directors who are not "interested persons" (as defined in the 1940 Act) of the Fund (the "Independent Directors"), has adopted pursuant to Rule 17e-1 under the 1940 Act. These Procedures govern the commissions payable to affiliated brokers of the Adviser (the "Brokers") in brokerage transactions effected by the Brokers on behalf of Fund in, stocks and options on a national securities exchange, including the Mexico stock exchange. The Procedures have been drafted to limit commissions in such transactions to amounts that are reasonable and fair compared to the commissions; fees or other remuneration received by other brokers in connection with comparable transactions involving similar securities being purchased or sold on a securities exchange during comparable periods of time. These Procedures do not authorize use of the Brokers to engage in any principal transactions with the Fund or use of the Brokers to purchase stocks or options in transactions effected over the counter.

II. Compliance with Regulations

The Fund is hereby authorized to use the Brokers as its agents to effect transactions in securities on national securities exchanges. In all such transactions, the commissions, fees and other remuneration paid to the Brokers shall be reasonable and fair as compared to the commissions, fees and other remuneration that would be charged by other securities brokers in connection with comparable transactions involving similar securities effected on an exchange during a comparable period of time.

The Adviser is authorized to enter into such agreements with the Brokers on behalf of the Fund as may be required by applicable rules and regulations to permit the Brokers to receive and

retain commissions and to permit a portion of the commissions to be paid by the Brokers to their officers, employees and representatives.

III. Quarterly Determination of Compliance

After the conclusion of each quarterly period, the Board of Directors; including a majority of the Independent Directors, shall review all transactions (including those with Brokers and other brokers) effected during the period to ascertain whether the commissions charged thereon were in compliance with these Procedures. In connection with such review, the Adviser shall provide a report showing, for brokerage transactions effected during the relevant period, the following information:

- i. The identity of the broker and whether the transactions were effected with a Broker or another broker (by using the words "Affiliated" or "Non-Affiliated," respectively);
- ii. The number of units involved in the transactions, the aggregate commissions charged in such transactions and the average commission charged per unit in the transactions;
- iii. Whether, in placing the transaction order with a Broker, the Adviser reasonably believed that the purchase or sale price of the securities and the execution of the transaction were likely to be at least as favorable to the Fund as those likely to be received and obtained from other qualified brokers;
- iv. Whether the commissions paid by the Fund were (a) reasonable and fair compared to the commissions, fees or other remuneration received by other brokers in connection with comparable transactions involving similar securities being purchased or sold on a securities exchange during a comparable period of time and (b) charged at rates consistent with those charged by the Broker in similar transactions for clients comparable to the Fund which are not affiliated persons of the Fund or the Adviser; and
- v. Such other information as may be requested by the Directors.

IV. Periodic Review

The Board of Directors, as frequently as shall appear necessary or appropriate, shall review these Procedures to assure their continued appropriateness with respect to transactions with Brokers. To assist the Board of Directors in conducting such reviews, the Adviser shall provide to the Board of Directors such information as may reasonably be requested by the Board of Directors in connection therewith, and as is available from the Brokers with the exercise of reasonable diligence relating to the level and structure of institutional commission rates charged by other brokers and by such Brokers. This information may include

- (i) Reports of governmental/industry studies;

- (ii) Reports of private surveys, published institutional rate schedules, and other similar studies or analyses;
- (iii) A report or schedule showing the average rates of commissions, expressed in cents per share, received by the Brokers during the period:
 - (a) from other institutional customers; and
 - (b) from other investment companies; .
- (iv) Statements by the Brokers concerning their understanding of the level of institutional commission rates being charged during the period by other brokers on transactions comparable to those of the Fund, together with any other available information pertaining to the prevailing or anticipated level of such institutional commission rates and, if the Brokers have any brokerage customers other than the Fund, the ranges of commissions charged by the Brokers during the same period to their other institutional customers, if any.

V. Maintenance of Records

The Fund shall:

- (i) Maintain and preserve permanently in an easily accessible place a written copy of these Procedures and all modifications thereto; and
- (ii) Maintain and preserve for a period of not less than six (6) years from the end of the fiscal year in which any transactions governed by these Procedures occurred, the fast two (2) years in as easily accessible place, a written record of each such transaction setting forth the amount and source of the commission, fee or other remuneration received or to be received, the identity of the person acting as broker, the terms of the transaction, and a copy of the information or materials supplied to the Board of Directors in connection with their quarterly determinations and periodic reviews, together with a written record of the approval, of, or action taken by, the Board of Directors regarding the transactions referred to therein.