

ENGINEERING FEE POLICY

We appreciate your decision to use RemPhos Technologies LLC. If clients are fully advised of the scope of engagements and the manner in which fees are determined, disputes over fees should be minimized. We prepared the following memorandum to explain our fee structures to clients and to aid in resolving any questions that might arise.

FEE STRUCTURE

From time to time, we get inquiries concerning our method of charging fees. This is understandable since each engineering firm handles fees a little differently. Some clients also may not have used an engineering firm before. This letter is our tool for communicating our fee structure to clients and other interested parties.

BASICS

Each staff member maintains accurate time records, and clients are billed based on actual time spent on their behalf, based on a 50-minute hour. Upon request, copies of time charges are available to you.

HOURLY RATES

A standard hourly rate is set for each staff member based on the criteria of experience and ability. If no extenuating circumstances exist, clients are billed using standard hourly rates multiplied by the actual hours worked. It is not uncommon to adjust the fees so determined to recognize:

- excessive time spent in an unfamiliar area;
- excessive hourly rates due to unavailability of less experienced staff to perform routine procedures;
- circumstances where value billing is appropriate such as litigation support
- value billing is generally 150-200% of standard rates.

Standard hourly rates vary substantially among our staff – currently from a low of \$70 to a high of \$290. Accordingly, it makes sense to use less experienced staff members to perform routine procedures to achieve the lowest hourly billing rate. Where prior notification of adjustment is not sent out in advance, rates currently in effect are available upon request. Rates are generally adjusted on the first of January.

TELEPHONE CALLS/E-MAIL

Telephone calls are treated the same way as any other time spent on a client's behalf. If matters of substance are discussed, the time is charged and billed to the client. Personal calls of a non-business nature are obviously not charged to clients.

Due to the extensive amount of consulting work done by our firm, and the nature of business today, conducting business by telephone or electronically consumes a substantial amount of our time. In some cases, fifty percent or more of client time is spent on the phone or through email. This is an effective and efficient manner.

OUT OF POCKET EXPENSES

Basic overhead costs are included in the hourly rates. Anything spent specifically on behalf of clients is charged to them. Travel, postage, copies, telephone charges, etc. are included in this category.

EFFECTIVE: January 2, 2013