

CORPORATE GOVERNANCE PRACTICES

The table below discloses the significant differences between our corporate governance practices and the New York Stock Exchange (NYSE) listing standards. This disclosure is also required pursuant to Section 303A.11 of the Listed Company Manual of the NYSE, is posted on our website and can be accessed at www.telmexinternacional.com.

NYSE Standards

Director Independence. *Majority of board of directors must be independent. §303A.01. "Controlled companies," which would include our company if we were a U.S. issuer, are exempt from this requirement. A controlled company is one in which more than 50% of the voting power is held by an individual, group or another company, rather than the public. §303A.00.*

Executive Sessions. *Non-management directors must meet at regularly scheduled executive sessions without management. Independent directors should meet alone in an executive session at least once a year. §303A.03.*

Nominating/Corporate Governance Committee. *Nominating/corporate governance committee composed entirely of independent directors is required. The committee must have a charter specifying the purpose, duties and evaluation procedures of the committee. §303A.04. "Controlled companies" are exempt from these requirements. §303A.00.*

Compensation Committee. *Compensation committee composed entirely of independent directors is required, which must evaluate and approve executive officer compensation. The committee must have a charter specifying the purpose, duties and evaluation procedures of the committee §303A.05. "Controlled companies" are exempt from this requirement. §303A.00.*

Our Corporate Governance Practices

Director Independence. Pursuant to the Mexican Securities Market Law and our bylaws, our shareholders are required to appoint a board of directors of no more than 21 members, 25% of whom must be independent. Certain directors are *per se* non-independent, including insiders, control persons, major suppliers and any relatives of such persons. In accordance with the Mexican Securities Market Law, our shareholders are required to make a determination as to the independence of our directors, though such determination may be challenged by the CNBV. There is no exemption from the independence requirement for controlled companies.

Executive Sessions. Our independent directors have not held executive sessions without management, and under our bylaws and applicable Mexican law, they are not required to do so.

Nominating Committee. We currently do not have a nominating committee. We are not required to have a nominating committee. However, Mexican law requires us to have one or more committees that oversee the corporate governance function.

We have an audit and corporate practices committee, which performs corporate governance functions.

As a controlled company, we would be exempt from these requirements if we were a U.S. issuer.

Compensation Committee. We have an audit and corporate practices committee, which assists our board of directors in evaluating and compensating our senior executives. The Mexican Securities Market Law requires that a majority of the members of the corporate practices committee of controlled companies be independent. All of the members of our audit and corporate practices committee are independent.

As a controlled company, we would be exempt from this requirement if we were a U.S. issuer.

NYSE Standards

Audit Committee. *Audit committee satisfying the independence and other requirements of Rule 10A-3 under the Exchange Act, and the more stringent requirements under the NYSE standards is required. §§303A.06 & 303A.07.*

Equity Compensation Plans. *Equity compensation plans and material revisions thereto require shareholder approval, subject to limited exemptions. §§303A.08 & 312.03.*

Shareholder Approval for Issuance of Securities. *Issuances of securities (1) that will result in a change of control of the issuer, (2) that are to a related party or someone closely related to a related party, (3) that have voting power equal to at least 20% of the outstanding common stock voting power before such issuance or (4) that will increase the number of shares of common stock by at least 20% of the number of outstanding shares before such issuance require shareholder approval. §§312.03(b)-(d).*

Code of Business Conduct and Ethics. *Corporate governance guidelines and a code of business conduct and ethics is required, with disclosure of any waiver for directors or executive officers. The code must contain compliance standards and procedures that will facilitate the effective operation of the code. §303A.10.*

Conflicts of Interest. *Determination of how to review and oversee related party transactions is left to the listed company. The audit committee or comparable body, however, could be considered the forum for such review and oversight. §307.00. Certain issuances of common stock to a related party require shareholder approval. §312.03(b).*

Our Corporate Governance Practices

Audit and Corporate Practices Committee. We have an audit and corporate practices committee of three members. Each member of the audit and corporate practices committee qualifies as independent, as determined by our shareholders at their annual ordinary general meeting pursuant to the Mexican Securities Market Law, and also meets the independence requirements of Rule 10A-3 under the Exchange Act or qualifies for an exemption. Our audit and corporate practices committee operates primarily pursuant to (1) a written charter approved by our Board of Directors and (2) Mexican law. For a description of the duties of our audit and corporate practices committee, see “Item 6. Directors and Officers of Registrant—Audit and Corporate Practices Committee.”

Equity Compensation Plans. Shareholder approval is required under Mexican law for the adoption and amendment of an equity compensation plan. Such plans should provide for general application to all executives. We do not have a stock option plan for our executive officers.

Shareholder Approval for Issuance of Securities. Mexican law and our bylaws require us to obtain shareholder approval of the issuance of new equity securities.

Code of Business Conduct and Ethics. We have adopted a code of ethics that applies to all our personnel, including our directors and executive officers. A copy of our code of ethics is available on our website: www.telmexinternacional.com.

Conflicts of Interest. Pursuant to Mexican law, our bylaws and applicable internal guidelines, provided that the corporate practices committee of our board of directors has opined favorably, our board of directors must vote on whether or not to grant approval of certain transactions with a related party (1) that are outside the ordinary course of our business or (2) that are at non-market prices. A director with an interest in the transaction is not permitted to vote on its approval.

NYSE Standards

Solicitation of Proxies. Solicitation of proxies and provision of proxy materials is required for all meetings of shareholders. Copies of such proxy solicitations are to be provided to NYSE. §§402.01 & 402.04.

Our Corporate Governance Practices

Solicitation of Proxies. We are not required to distribute proxy materials to, or solicit the return of proxies from, our shareholders. In accordance with Mexican law and our bylaws, we inform shareholders of all meetings by public notice, which states the requirements for admission to the meeting and provides a mechanism by which shareholders can vote through a representative using a power of attorney. Under the new Mexican Securities Market Law, we have to make power of attorney forms available to shareholders at their request. Under the deposit agreements relating to our ADSs, holders of our ADSs receive notices of shareholders' meetings and, where applicable, instructions on how to vote at the shareholders' meeting through the depository.