

Code of Ethics

The value of who we are and how we must act.

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I. Message to our employees



Throughout the history of TELMEX, our Company has distinguished itself for its constant quest towards innovation in its products and services, based on the market experience and knowledge we have acquired. This has allowed us to provide services benefiting Mexican families, productive sectors and our country in this new global context.

Our success is based not only on our capacity to respond to this period of dynamic technological and social change, but, even more importantly, on our great human capital; it is also due to the principles and values that orient our ethics as a Mexican company and that we apply in our daily life and when performing our duties.

Consequently, the daily practice of our Code of Ethics provides us with firm guidance and certainty in our relations with clients, employees, suppliers,

authorities, communities and competitors as well as during the implementation of all of the Company's procedures and when facing new challenges.

This new edition of TELMEX's Code of Ethics reaffirms the ethical principles that guide our actions and decisions, as well as the pledge of ethical conduct made by all TELMEX employees, in order to continue being a model Company fully committed to Mexico.

This Code of Ethics shows how we should behave and put into practice our principles and values. It is our responsibility to know the Code and to apply it at all times. We must use the established channels to report immediately any relevant action or event related to this Code. We must guarantee that our conduct is coherent with the ethical principles that have always distinguished us and that now, more than ever, are our main strength when facing current and future challenges.

Yours truly,

Hector Slim Seade

Chief Executive Officer

The value of who we are and how we must act.



TELCEL





II. Introduction

After more than 20 years since its first edition, TELMEX's Code of Ethics 2015 incorporates our day-to-day work experience, updating the vision of our context and reaffirming the values that have directed the development, evolution and consolidation of our Company. TELMEX's vision continues to be based on a strong commitment to Mexico and on our quest to communicate, inform and integrate Mexicans in the world of IT, along with our offer of new, high-quality and widely accessible services.

Our Company is renowned for its social responsibility, in line with its values and principles, and also for striving to strengthen the ethical conduct of its employees.

This edition is an opportunity to give an updated and integral response to the emerging conditions in which we work today. The current context is characterized by technological innovations, new requirements in the telecommunications and information technologies markets, a more competitive, more globalized and demanding market, as well as new mandatory regulations. Without a doubt, this set of circumstances requires us to provide higher quality services and swifter responses.

This new text, as well as its prior editions, maintains its "core" nature and responds to new conditions to enrich and improve the Code. The document compiles

basic rules and regulations and seeks to provide guidelines for conduct in different circumstances and to various stakeholders: clients, shareholders, suppliers, authorities, competitors, the general public, and all the personnel working for the Company.

Of particular importance in our new working context, we can refer to the Federal Law of Economic Competition, the Federal Law of Telecommunications and Radio Broadcasting, the Federal Law for the Protection of Personal Data in Possession of Private Parties, the Federal Law for Consumer Protection, the Federal Labor Law and Corporate Governance. These regulations outline the conditions in which we have to operate, establishing new services and specific rules that entail an important challenge to our Company and its employees, in view of the magnitude and consequences in case of non-compliance.

At TELMEX we are convinced that ethics denotes the duties, convictions, values and personal responsibilities that pertain to each of us, beyond our legal obligations.

This Code applies to all personnel employed by TELMEX, to the members of its Board of Directors, in accordance with their position and duties, as well as to its suppliers and contractors in the context of their relationships to our Company.





III. Our Company, its values and principles



Companies, like individuals, distinguish themselves for their unique features. It is not about what is done, but about how it is done; about the different ways we relate, interpret the context and influence it. This is based on our life objectives as well as on the deeply held beliefs that guide our daily activities. This is how our convictions and commitments are reaffirmed.



1. Our mission



To be a leading telecommunications group that provides its customers integrated, high-value, innovative and world-class solutions, through human development and the application and management of state-of-the art technologies, offering the highest quality services and experiences under the best possible terms.



2. Our vision



To maintain TELMEX's leadership in the Mexican market, expanding its telecommunications and IT services in all markets, as a highly competitive, reliable Company, with the highest growth rate, while offering products and services with world-class quality standards.



3. Our values



Our shared values at TELMEX are fundamental for our mission and uphold our corporate principles and codes of conduct.

Our values are the qualities that guide and distinguish us. We must keep them in mind and put them into action when performing our daily tasks.



The values of our corporate culture are:

- a. **Work**
- b. **Growth**
- c. **Austerity**
- d. **Commitment**
- e. **Social responsibility**

a. Work

Work is any human activity satisfying a given need, be it economic, emotional or related to personal growth.

For us, work is a value because it is a way to meet our own needs, while serving others.

Work is the opportunity that life gives us to transform and improve our environment. The worthiest and most transcendental tasks achieved by an individual have been attained through work. Work is a driver for creativity, artistic sensitivity and inventiveness, as well as the most enriching forms of human relationships.

Work is a privilege and this is why our personal quest should be to do our best.

b. Growth

In our Company we firmly believe that each individual, within the extent of his or her own capabilities, must strive to improve and develop throughout life. People, as well as companies, develop constantly. As individuals we are never a finished product and through growth we can increase our knowledge and develop our capabilities.

Therefore, we must increase our personal skills and knowledge in order to allow our Company to expand its capacity to provide more and better services. Mexico will consequently increase its population's wellbeing and opportunities.

Nobody grows in isolation. Growth is attained through joint efforts and interaction with others: we have to become a better Company, a better worker, a better citizen and a better family.

c. Austerity

Being austere means to make efficient use and take care of what we have, optimizing resources and eliminating waste. Austerity implies spending only on what is necessary, dispensing with anything useless or superfluous.

Austerity is not a limitation but a possibility to create, take advantage of opportunities, imagine and grow. What was once considered waste can become an input for a new idea.

It is important to emphasize that our values are interrelated and complement each other. The strength of our values relies not only on their individual meaning, but also on the interaction among them. Social responsibility cannot be conceived without practicing austerity.

d. Commitment

We work in a highly competitive market where the levels of customer service and satisfaction are increasingly demanding, and combined with a context of binding regulations, it is vital for all of us who work at TELMEX to make a commitment to perform our duties and tasks with quality and determination, in order to meet and surpass the expectations of our clients.

By fulfilling and respecting our commitments to our clients, shareholders, communities, suppliers and competitors, among others, we will remain the leading Company in the market.

e. Social Responsibility

Today, in a world without borders, it is impossible to live in isolation. All personal or common activities affect our communities. Therefore, we must adopt an attitude of commitment and service towards society.

In order to put this value into practice, we must carry out our work well, honor our commitments to customers and suppliers, comply with current legislation and take proper care of financial, human and material resources.

Social responsibility is about constantly seeking the common good. This includes a wide range of acts, from complying with the most generally applicable laws of our country to taking care of our renewable and non-renewable energy sources and the environment as a whole.

At TELMEX, the first expression of our social responsibility is our commitment to Mexico. Therefore, TELMEX seeks to contribute to the country's economic, social and cultural development goals.

4. Our corporate principles

Our corporate principles represent the specific characteristics that are unique to Grupo CARSO and TELMEX. These have been at the basis of our strength, growth and leadership in the market.

Our Company focuses all of its activities in complying with these principles.

a. Grupo CARSO's corporate principles

1. Simple structures, organizations with the fewest possible hierarchical levels, human development and in-house training of executive functions. Flexibility and speed in decision-making. Operating with the advantages of a small company. These advantages are what make great companies great.
2. Maintaining austerity measures in times of prosperity helps strengthen, capitalize and accelerate the development of our Company; it also helps avoid drastic and harsh adjustments in times of crisis.
3. We have to continue modernizing, growing, training and fostering quality, simplification and improvement of our productive processes. We must increase productivity, competition, reduce expenditure and costs and always adhere to the highest world standards.
4. A company should never limit itself to the size of its owner or administrator. We should never feel great inside a small corral. Minimum investment in non-productive assets.
5. No challenge is insurmountable if we work together towards our goals with a clear focus and control of our instruments.
6. Money that leaves the company evaporates. Therefore we reinvest profits.
7. Corporate creativity is not only applicable to business, but also to solve many of our country's problems. This is what we do through the Group's foundations.
8. Firm and patient optimism will always bear fruit.
9. Any time is a good time for those who know how to work and have the means to do it.
10. Our premise is, and has always been, not to forget that humans die empty handed; we can only do things during life. A businessperson is a creator of wealth that he or she can only administer on a temporary basis.

b. TELMEX's corporate principles

- 1. Customer service**
- 2. Quality**
- 3. State-of-the-art technologies**

1. Customer service

Our clients are the main purpose of our activities. Customer service is essential if we want to keep their loyalty. We must treat them with respect and provide them an efficient service, with complete, clear and precise information. We must strictly adhere to the service conditions agreed with them.

Customer service means we have to respect customers' right to choose freely, with no differentiation, fulfill our commitments, guarantee the confidentiality of their information and always try to exceed their expectations.

2. Quality

Quality and attentive services to our clients can only be delivered if our products and services are available in the best conditions so as to satisfy their expectations in an efficient and timely manner.

We should strive to fulfill the operation standards established by our Company and by the regulating authorities. We should always differentiate our services from those of the rest of the market. In this new context, our services require a greater emphasis on customer service and on achieving high levels of quality.

In order to ensure high quality services, we must all follow a series of principles and values that will have a strong influence on our clients' preferences. These principles include: friendly and efficient service, proper installation and operation of our services, fulfillment of our commitments, reliability of the information provided.

3. State-of-the-art technologies

Quality, customer service and leadership in our industry will only be possible if we work with the latest technologies in our Company. Maintaining state-of-the-art technologies is vital for our development and for the provision of more and better products and services to our clients.

Legal framework

Federal Law on Telecommunications and Radio Broadcasting 2014

Federal Law on Economic Competition

Federal Law on Consumer Protection

Federal Law for the Protection of Personal Data in Possession of Private Parties

Federal Labor Law

5. Our codes of conduct

In addition to complying with legal regulations, ethical conducts and values give us the possibility to use our free will to make the right decision when a conflict arises.

A situation demanding an ethical solution must be analyzed in light of our mission, values, corporate principles and code of conduct.

Our code of conduct reflects our interest in serving customers, employees and shareholders in a respectful and professional manner in order to have harmonious relationships between individuals and the Company.

We wish to continue being considered as a model company in Mexico for our conduct and values. As a company that respects the legal framework regulating our operations, we aspire to set the benchmark for efficiency. We want to be recognized as a company that respects laws and people, an honest partner in negotiations and a promoter of social wellbeing, not only through economic means, but also through education, health, sports, arts and culture.

Our Company adheres to three main principles of conduct:

- a. Compliance with established guidelines**
- b. Non-discrimination**
- c. Integrity**

a. Compliance with established guidelines

All professional activities must be carried out according to established guidelines, laws, regulations and policies. Respecting this premise will guarantee that the interests of our Company and its personnel are protected.

b. Non-discrimination

All individuals deserve the same treatment, regardless of their gender, age, hierarchical level, religion or any type of different personal ability, trait or conviction.

c. Integrity

Integrity is the required consistency between what we say and what we do, assuming an ethical attitude at all times and complying with the established guidelines. All employees should preach by example.



IV. The new regulatory environment

The Federal Law on Economic Competition, the Federal Law on Telecommunications and Radio Broadcasting, the Federal Law for the Protection of Personal Data in Possession of Private Parties, the Federal Law on Consumer Protection and the Federal Labor Law, in force today, the establishment of government bodies that regulate the activities of our sector, as well as the conditions for competition and Corporate Governance, have brought about a series of rules and factors determining our legal environment. Even if thorough knowledge of these factors will depend on the particular job of each one of us, it is essential that all members of our Company have a general vision of their main features.

1. Federal Law on Economic Competition

This Law regulates free economic competition, applicable to all types of economic activity and of general scope throughout the Mexican Republic. The Law aims at promoting, protecting and guaranteeing competition and freedom of trade, as well as preventing, investigating and sanctioning anti-competitive practices and other restrictions related to the efficient performance of the markets of goods and services.

2. Federal Law on Telecommunications and Radio Broadcasting

This is a public order directive enacted in 2014 to regulate the use and exploitation of resources and infrastructure in the telecommunications and radio broadcasting services and their convergence. It also establishes the rights of users and audiences, the competition process and the rules of the market.

3. Federal Law for the Protection of Personal Data in Possession of Private Parties

The aim of this Law is to protect personal data in possession of private parties, with the purpose of regulating their legitimate and controlled treatment. One cannot use, inform or store personal data without the prior authorization of the owner. This guarantees privacy and the right of individuals to oversee the proper use of their private information.

4. Federal Law on Consumer Protection

This Law aims to promote and protect the rights and culture of consumers. It also aims at procuring equity, certainty and legal assertiveness in consumer-supplier relationships. The Law establishes the obligation to inform and respect price setting, tariffs, guarantees, qualities, terms and conditions and other factors related to the offering of a service. Information provided by our customers to our Company is treated confidentially. It is prohibited to use this information for purposes other than marketing and advertising. It is prohibited to send publicity to consumers that have expressed that they do not wish to receive it, or that are registered in the database held by the Federal Attorney for Consumer Protection.

5. Federal Labor Law

This is a set of legal regulations establishing the rights and duties of workers and employers, in relation to individual and collective work relations.

6. Corporate Governance

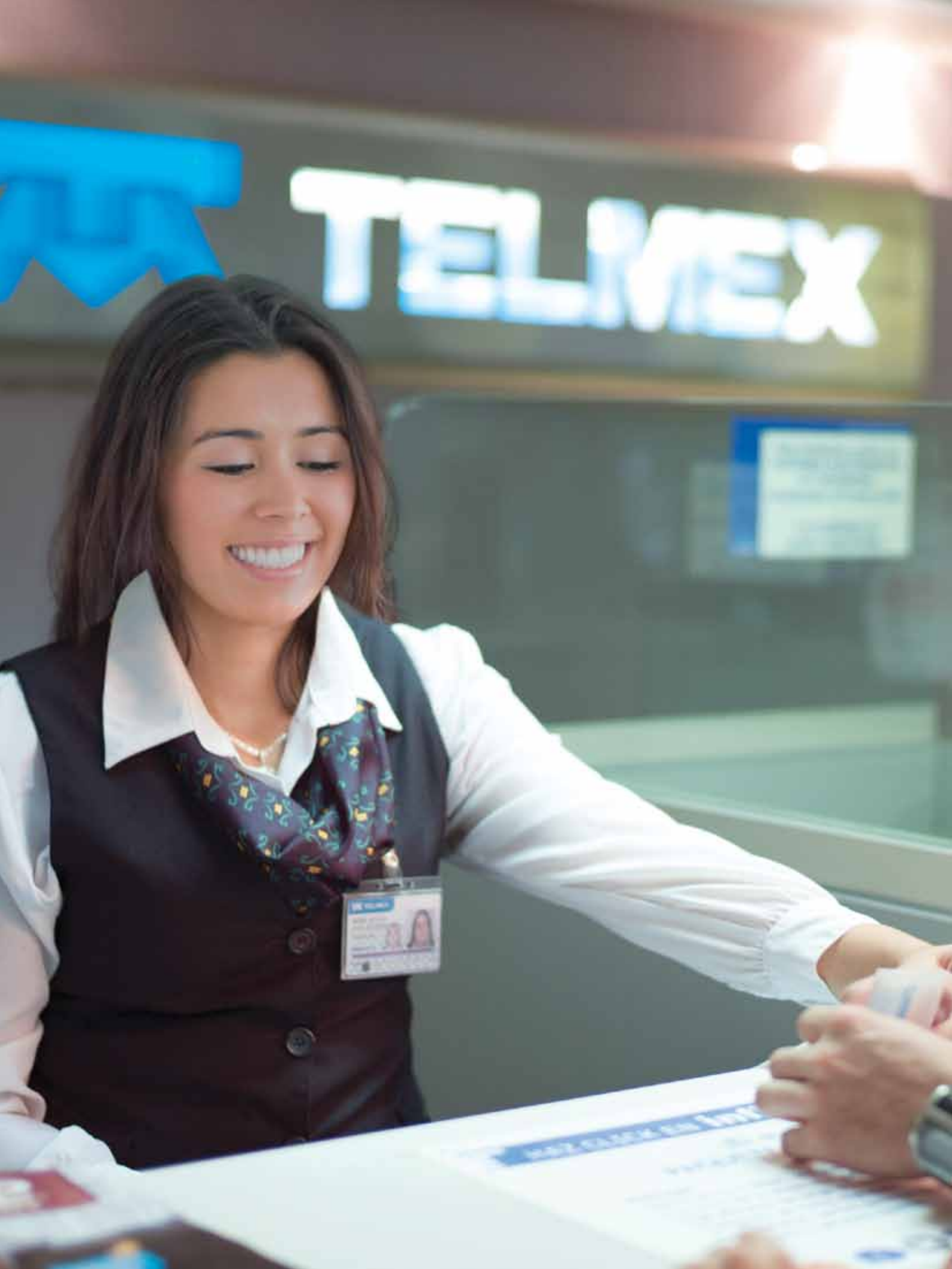
This refers to the system and processes used to orient and control corporations, and seeks to improve the Company's administration by:

- Following up on the compliance of corporate values;
- Clearly defining the responsibilities and competences of the Company's administrative and supervisory bodies;
- Implementing the systematic control of business process, and
- Guaranteeing the timely and qualitative dissemination of information, necessary for decision-making; taking care at all times of the need to respect the established policies on confidentiality.

Its main objectives are:

- To improve the transparency of the Company's administration.
- To establish and continuously update control mechanisms.
- To attain and maintain operational excellence by promoting best practice.
- To strengthen the essential values of the Company and generate an organizational culture to foster them.

In order to comply with these objectives the Company has established a Corporate Practices Audit Committee that works closely with TELMEX's Board of Directors.



V. Guidelines for our conduct at work

1. The nature of our industry

The specific activity of our industry requires a set of particular regulations that distinguish us from other economic sectors. Respecting these regulations is of the utmost importance if we want to preserve the good reputation of our Company.

Privacy in telecommunications and customer information

Privacy in communications and customer information has always been a fundamental element in the telecommunications and information technologies industries, not only because it is a legal obligation but also as a commitment towards our clients who have put their trust in us. With the constant increase of data volumes transmitted across our network, this trust acquires special significance. Today, the responsibility to maintain privacy not only concerns telephone conversations but also data transmission.

Rules on privacy are as simple and inflexible as ever. They are simple because they are extremely logical; they are inflexible because their violation can seriously damage the reputation of our Company and the telecommunications and information technology industries. This can also be considered a crime. These rules are:

- No transmission, be it voice, data or any type, can be touched or altered without a legitimate purpose and in respect of regulations established by the law.
- No conversation between clients, data transmission or other type of communication can be eavesdropped or monitored. The existence of a particular communication cannot be reported nor its contents announced, except when required by a court order. In this case, the Directorate of Regulation and Legal Issues must be notified, so as to guarantee that the legal requirements are met and that the security departments concerned are duly coordinated and informed.
- No one can use, for his or her personal benefit or that of others, information about the communications established by our clients.

2. Use of Company resources

The Company's resources include all of its real estate, furniture, tools, vehicles, mobile phones, tablets, computer equipment (desk and laptops) and their applications (email and corporate internet, PISA, SIATEL and other authorized corporate applications), including access to the network, as well as materials, and information or innovations generated as a consequence of our activities. All these resources are exclusively accessible to perform our duties and should therefore not be used for personal reasons or for unauthorized purposes.

Policies on Company resources

Protecting the goods and services that belong to our Company is essential for our work. The Company's income depends on our protection against damages and losses, whether they are intentional or due to negligence.

Intentional or negligent damage and loss can negatively affect the Company's income. Any rental, sale, donation or disposal of the Company's resources can only be performed by authorized personnel and in accordance with established procedures.

No equipment pertaining to our telephone platform – switches, switchboards, digital terminals, latest generation equipment or any other application – can be used to make calls or transmit data, nor for any other unauthorized purpose.

Computer systems

Computer equipment and systems are essential for the daily operation of our Company. It is indispensable to guarantee the proper protection of hardware, software, data access, processing and storage, and their exclusive use for authorized purposes.

The Company has installed security systems (technical, administrative and physical controls depending on the degree of privacy, confidentiality, integrity and accessibility of the information) to protect its communication infrastructure, networks, computer and information systems in any given environment. No software should be used to bypass these systems.

Any unauthorized access or subtraction of corporate information will be considered as an intrusion, theft of information and/or industrial espionage. Each one of us has the responsibility to guarantee the good care and use of the Company's systems, computer equipment and mobile devices. Everyone must acknowledge and respect the policies and specific guidelines regulating their use.

Automated systems, computer equipment, tablets, mobile devices and other instruments allow for information to be transported outside the Company's premises. For this reason, devices used to store information and their corresponding systems must be physically authorized and secured, with the properly regulated access. Furthermore, all documents related to the acquisition of software licenses and their use must be permanently updated and available for verification. It is prohibited to copy, possess or make improper use of software and information.

Software, information contained in corporate emails, computer equipment, mobile devices, voice mail and information uploaded to cloud computing files, are the Company's property and can only be used for corporate purposes.

In addition to what has been said above, there are five specific rules to follow:

1. No worker may install in his or her computers, tablets or mobile devices any software that has not been previously authorized by the Company or that lacks the corresponding license.
2. No alterations may be made to contracted software, except in those cases permitted by the respective agreements and with prior authorization and supervision of the Systems Department.
3. It is prohibited to engage in the development of unauthorized systems and programs that have not been previously approved by the Systems Department.
4. Any internal development of equipment, systems and computer programs used to plan and execute the Company's activities, generated by Company's workers, belong to TELMEX.
5. It is prohibited to access corporate systems using logins belonging to another person. Logins are personal and non-transferable.

Corporate services

TELMEX's Corporate Data Network may only be accessed remotely through authorized corporate services. It is strictly prohibited to install any other mechanism for remote access that could by bypass the current security controls and pose a threat to the organization's information security.

Internet access is strictly prohibited under the following circumstances:

- Consulting content that infringes the Company's ethical, moral and organizational values.
- Consulting content unrelated to the responsibilities of the job.
- Obtaining or installing software that has not been authorized by the Company and/or without the license for its use.
- Commercial or personal use of Internet resources and services for non-institutional purposes.
- Using the Internet without respecting the policies established by the information security department.

It is not permitted to use corporate email in the following cases:

- Sending files (text, documents, images, multimedia, etc.) with content that infringe TELMEX's ethical, moral and organizational values.
- Personal and commercial use of Internet resources for non-institutional purposes.
- Sending email chain letters.
- Using email accounts provided by external services to handle TELMEX's proprietary information, as a substitute for corporate email services.

Conducts that may constitute crime against property

The Company's property consists of its furniture, real estate, money, securities, intellectual and industrial property rights. An illegal conduct causing damage to the Company's property can be considered a crime against property if so considered by the law.

Any act or omission that can be considered a property crime against the Company must be identified, reported and investigated, in order to take the corresponding legal actions immediately.

This rule must be applied to all conducts related or conducive to the execution of a crime against the Company's property, for example: alteration or omission of records, data or documents, formulation of false records, formulation or reception of false or fake documents, subtraction of goods or documents, irregular handling of money and securities, among others.

Use and management of information

As mentioned above, any information generated and developed by Company employees as a result of their activities is the property of TELMEX and therefore must be treated as private and confidential and must be used exclusively for internal purposes and procedures according to established security procedures and policies. As with any other valuable resource, information must be protected since its disclosure might provide third parties with advantages that could damage the Company and pose a risk to the privacy of the telecommunications and information technologies industry.

In today's working environment, employees must acknowledge that all information transmitted or stored in any corporate email, Internet file, computer, tablet or mobile device, including the right to use information belonging to third parties, when applicable, is the exclusive property of TELMEX. This includes the corresponding intellectual or industrial property rights. Hence, any electronic message created, received or sent through any of the Company's computer systems will not be considered as a personal message.

In this sense, no employee should use corporate email, Internet, or the Company's computer systems for personal, commercial, political or any other use that is not strictly related to the nature of his or her job. Employees should display a sense of responsibility avoiding any abuse of this privilege (see "Policies for the use of corporate email, Internet and computer equipment provided by the Company").

Information stored on electronic devices or corporate emails should be saved properly in accordance with the established policies regarding the use and security of information. When unspecified, information should not be kept for more than six months. In case of doubts concerning the period of storage, the Audit Office and the System Security Department should be consulted.

Internal “non public” information

Internal “non public” information (classified as confidential, private or secret) refers to data generated by our Company whose dissemination can cause negative consequences to the Company. This type of information must be protected, regardless of its format, and applies to printed, written, verbal, visual, electronic or holographic materials. Due to the nature of their responsibilities, many employees have access to this information and must therefore be extremely careful when using or handling it, in accordance with the regulations, policies and procedures for use and security of TELMEX information.

Access to internal “non public” information is limited to individuals who require the information in order to carry out their duties, in respect of established policies and procedures.

Dealing with this kind of information is not in itself a conduct contrary to the interests of the Company; it is the incorrect use of the information that can be damaging. In this sense, TELMEX has adopted the following guidelines for the use of internal “non public” information:

1. It is prohibited to disseminate without prior authorization any internal Company information considered as “non public”.
2. Internal “non public” information should not be the object of discussions between fellow employees; it must not be disseminated outside the Company, unless the person handling the information requires to do so in order to fulfill his or her duties.
3. If as a result of the work performed for the Company, someone obtains confidential information from another entity (a client, a supplier, a governmental institution, a competitor, etc.), the person must comply with the law and maintain the confidentiality of the data.
4. No Company employee should request or receive confidential information from a governmental entity or any other institution unless his or her duties so require, and in compliance with the established policies and procedures on the use and security of information.
5. When operating needs and specific duties require the transfer of confidential information, with prior authorization from the direct supervisor, on external devices (such as CDs, DVDs, USBs or hard disks) or computer equipment and/or mobile devices, the information should be

encoded in accordance with the regulations and procedures established by the System Security Department.

6. All employees must comply with the practice of “clean desk”, making sure they do not leave confidential information on their workplace when they are absent.
7. All “non public” information that is printed for an authorized purpose must be totally destroyed when no longer needed.

In case of doubts about the handling of information, please refer to the deputy director or the director of the corresponding department, or to the System Security Department.

Privileged information

Privileged information refers to the knowledge of acts, facts or events that may influence the price of securities listed in the National Securities Registry by TELMEX or America Movil, when such information has not yet been revealed to the public. One should note that information might not be considered as public before it has been officially disclosed through the authorized bodies and means established by the applicable regulations.

Privacy of employee information

Our Company considers that privacy is important to each one of our employees. For this reason, the Company only maintains information about employees that is required for legal or contractual purposes, limiting access to this information to persons requiring it for legitimate reasons. Employees that handle or hold information about the Company's personnel may not, under any circumstance, disseminate it and must respect the corresponding regulations.

No employee can have access to his or her own work file, nor that of relatives or friends, without prior explicit and written authorization of the Directorate of Human Resources.

When for any reason an employee leaves the Company, all documents, files and information related to his or her duties or activities must be handed to the direct supervisor.

Privacy of client information

In accordance with applicable laws, clients have the right to protect their personal data. There are governmental regulations indicating the way to handle client information including address, number and types of contracts, technical specifications and statistics about service usage. Our Company protects all forms of client communications, including voice, data or images. In this sense, we can state that:

- No employee may disclose any information about the communications, transmissions, data or dealings with clients. In case of a court order from a judicial or administrative authority, the Directorate of Regulation and Legal Affairs or the area determined by TELMEX policies must be immediately notified.
- Only authorized personnel can use commercial transactions with clients, information about their accounts, equipment or technical conditions, as well as any other client information contained in our databases.

Company data and records

Company business records must always be accurately and reliably prepared, updated and stored, given their importance in complying with the Company's financial, legal and administrative obligations.

All reports, invoices, employees' time cards, payrolls, service reports, evaluations, performance records and other essential data must be prepared carefully and honestly.

Records that contain customer or employee data are strictly confidential. Therefore, they must be carefully secured and kept updated and accurately. They may be consulted only for legitimate reasons and can only be disclosed to personnel needing the information to fulfill their job responsibility.

It is strictly prohibited to extract databases, partially or totally outside institutional systems, without the previous explicit authorization of the System Security Department, except for those areas that so require in order complying with their operating and support duties, and under authorized procedures.

All employees must strictly adhere to the Company's file-keeping standards, in accordance with the established policies and formats. This includes normal conservation, based on legal regulations or demands. Likewise, one must immediately report any incident that can potentially affect the security of the information, notifying the System Security Department.

Any person that has control over the Company's funds and records is personally accountable for their safekeeping. This includes cash, checks, money orders, bonds, credit titles and other related elements like credit cards, records of payments and rates, as well as any other instrument with financial value.

Legal framework

Federal Law for the Protection of Personal Data in Possession of Private Parties
Federal Law for Consumer Protection
Federal Labor Law

3. Relationships with customers

The Company depends on its clients; we should therefore treat them carefully and with respect.

A decisive factor that encourages a customer to choose one Company instead of another is the degree of confidence that the Company has built up over the course of its relationship with its clients. From an ethical perspective, customer confidence and loyalty can be obtained by:

- Providing suitable and polite service. That means treating customers as we would like to be treated when we require a service.
- Clearly, explicitly and truthfully explain the characteristics and/or limitations of the products and services offered.
- Answer customers' information requests as long as they are entitled to receive the information.
- Honest treatment essentially means to fulfill an agreement.

Customers must not be coerced into buying something that they do not want in exchange for obtaining a product or service in which they are interested.

Sanctions

All staff must comply with the aforementioned guidelines. If they do not, apart from any financial penalties imposed on our Company, individuals who participate, directly or indirectly, may face financial or legal sanctions.

4. Relationships with suppliers

Relationships with suppliers may become difficult because important issues are at stake for both parties. Therefore, the relationship must be professional, courteous and respectful emphasizing transparency and complying with the established guidelines.

Personal or non-business relationships with all suppliers must be avoided as they may generate conflicts of interest* or affect impartial judgments of given situations.

Suppliers must always be clearly, explicitly and truthfully informed of the specific project requests according to the needs of our Company.

Commercial relationships with suppliers will be based on merit, unbiased competition and without favoritism.

If an employee maintains a direct or indirect personal relationship with a particular supplier related to his or her job, he or she should immediately inform the direct supervisor or the Directorate of Human Resources, before taking matters any further, so as to avoid a potential conflict of interest.

Our Company is aware of the possibility that some of our suppliers and customers may have family ties to some of our employees. This fact does not constitute an illicit or irregular matter. However, in abiding with the ethical spirit of our culture, anyone in this situation must report it to his or her line manager, who in turn will report it to the Human Resources Department.

It is also important to mention that no TELMEX employee should condition any supplier to acquire any of our Company's products or services.

* "Conflicts of interest", page. 42

In all negotiations with suppliers, we must make sure that we receive proper value for money. Additionally, all employees involved in the supply process must make sure that invoices and documents issued in the name of our Company comply with the established requirements.

All contracts, purchases of equipment, products and/or services from suppliers must comply with the established conditions. In case of deviation or irregularity in applying the established agreements, one should immediately inform the Directorate of Operation Support who will determine the corresponding actions to be taken.

Employees who have not received prior authorization from the Directorate of Operation Support must not modify, alter, and/or negotiate different conditions from those established, nor enter into any kind of agreement not referred to in the supplier's contracts. If this happens, this conduct may be considered a crime against the Company's property, and imply legal prosecution.

*Conflicts of interest

Conflict of interest is an issue included in several chapters of this Code. We suggest keeping it in mind when consulting the Conduct Guidelines.

Conflicts of interest mainly arise when Company interests, personal interests and, frequently, third-party interests, are at stake.

Our guidelines are based on the legal definition of conflicts of interest that establishes that “employees must excuse themselves from handling, processing or deciding on matters where they have a personal or family interest or possible benefit (family is defined as: spouse, blood relatives up to the fourth degree, relatives by affinity up to the fourth degree, in-laws) or businesses (third parties with whom employees may have professional or business relations or for partners or corporations where the employee or the above mentioned family members are or have been part of)”.

Consequently, we are convinced that all of our employees have the primary obligation towards the Company that hired them. Thus, we expect that all employees abstain from establishing any kind of relation or activity – such as employment, or self-employment – that may interfere with their performance in our Company. Additionally, we expect that our employees do not use their position or authority to obtain personal benefits or derive benefits for third parties.

We must make sure that all our external relations are handled in conformity with the Company’s regulations, policies and procedures, as well as in accordance with the applicable law. We must avoid any situation that may generate a conflict of interests, or that appears to denote improper conduct.

All TELMEX employees have the responsibility to report any condition that might generate a conflict of interests or influence in the performance of their job or in the decision-making process, by giving written notification to the head of the department or the area director, who will in turn notify the Directorate of Human Resources.

No employee can have a financial or professional interest in a client, nor engage as a consultant or business partner with a client, supplier, contractor or competitor, implying a conflict of interest.

In order to avoid a possible conflict, we consider that it is improper to accept gifts, gratuities or any type of donation that might compromise us, influence our decisions, or affect the Company's business relationships.

The acceptance of lunch invitations and other kinds of hospitality gestures is normal in some commercial relationships and this is not considered to influence decisions. These gestures must be reported and previously authorized by the head of the department and when carried out, they must be reciprocal and should not influence actions or decisions.

Persons working with suppliers in the administration and implementation of established contracts are responsible for guaranteeing that they are operated in conformity with agreed conditions, without accepting modifications or requirements not included in the contracts. This could be interpreted as a conflict of interest providing potential benefit to one of the parties. Any delay or non-compliance should be reported to the Contract Follow-up Unit and Corporate Governance as well as to the Directorate of Operation Support.

Managers, supervisors, project leaders and other workers who have direct relationships with other companies and suppliers must adhere to the Company's policies and procedures and avoid any conduct that could be interpreted as constituting preferential treatment, condescending, privileged or generating a conflict of interest.

5. Relationships with personnel

Without a doubt, the Company's employees are our most valuable assets and they deserve attention and respect. The idea we have of our personnel – which is in fact the idea we have of ourselves – influences the entire Company environment, where any worker is considered as someone who can:

- Perform a job with the appropriate level of quality, intensity, care and attention to detail.
- Evaluate situations and take decisions, within the context of his or her established duties.
- Be accountable for his or her actions, thus being responsible for what he or she does.

To respond to a demanding work environment, the Company's employees are organized in hierarchical levels seeking to optimize individual performance and to obtain the benefits of teamwork. While hierarchical levels are established in the Company as a work procedure, above all

– beyond hierarchies – every person deserves to be treated with the same respect.

Heads of department

Heads of department have been granted – and are recognized as having – a specific level of authority to provide guidance and to maximize the benefits of teamwork. They are accountable for the results of their department, the compliance with the established Company guidelines in their area, and for the performance of their staff.

Heads of department are responsible for creating a proper and respectful working environment; they should foster its development and help their staff reach the highest level of performance. Their instructions must always comply with the authorized procedures.

The executives in our Company are the highest representatives of our corporate values since they observe, promote and supervise conduct with the highest ethical standards. In order to avoid conflicts of interests or the inappropriate use of authority, the Company's executives, as well as the members of its Board of Directors, cannot receive loans from the Company.

Peers

These are individuals at the same hierarchical level who share the same challenges and work objectives. Cooperation and healthy competition will result in an improved individual and departmental performance throughout the Company.

Support staff

Support staff refers to individuals who carry out the Company's objectives and are under the guidance and leadership of the head of department. They must carry out their duties within the established guidelines and respecting authority.

Support staff has sufficient authority and responsibility to comply with their specific tasks.

Within the hierarchical structure established in our Company, internal conflicts of interest may also arise. Hence, it is not allowed to hire spouses, blood relatives or close relatives to work in the same area or in an area with influence on their work processes (promotions, remunerations or sanctions).

When as a consequence of movements within the Company, two or more employees who have a family or personal relationship come to work in the same area or on the same project, this can bring about a conflict of interests. In such cases, they must provide written notification to the head of the department and to the Human Resources Department for a decision to be made on how to deal with the particular situation.

Communication between personnel

Communications between personnel should always be clear, respectful and directly related to the specific needs and challenges of the job. In consequence, there must be no discriminatory, threatening, offensive, slanderous content or any other type of direct or indirect harassment.

Conditions mentioned in the above paragraph must be considered in all means of communication: interpersonal, emails, memoranda, letters, etc.

Legal framework

Federal Labor Law

Communications with legal counsels

Any messages to and from a legal counsel (whether in-house or external) requesting or providing legal advice must bear the following phrase in capital letters at the top of the page: "CONFIDENTIAL. ATTORNEY / CLIENT PRIVILEGED COMMUNICATIONS".

Respecting the workplace, documents, files and materials

An unconditional rule of our Company is to respect the workplace, the established rules for coexistence, as well as documents, files, equipment, tools and materials.

In order to maintain a friendly environment and relationship with fellow co-workers and teams from other departments, we should respect assigned spaces for designated duties, common areas and tools, as well as established rules and conditions for the use and permanence within the Company's premises.

Nobody should use materials, equipment, login codes or passwords to access institutional systems that belong to another employee without his or her permission. However, there might be exceptions in response to a particular work imperative, but subject to previous authorization from the head of the department.

Moreover, employees must not access the corporate email or computer files of another employee, without the previous written authorization for the System Security Department, which will guarantee the proper use of the information.

Threats and violence in the workplace

TELMEX is committed to the safety, health and wellbeing of its employees, as well as of everyone who is in contact with our offices or service centers and uses our products and services.

In order to maintain a safe and reliable environment in the workplace, immediate notification must be given of any incident of physical violence or threats in the workplace, and the appropriate procedures followed.

Our Company forbids individuals from possessing any kind of weapon in the workplace or in vehicles whenever they are representing the Company, except for those who are authorized to protect employees and their belongings.

Alcohol, drugs and controlled substances

It is essential for our Company to create a safe and productive work environment. Any factor that alters these conditions is subject to special attention. Consequently, the Company strictly forbids the use, possession, sale, attempt of sale, transportation, distribution or manufacturing of drugs or any other controlled

substance, regardless of the amount or of the manner in which it is made, while performing Company activities or in Company facilities or vehicles.

Possession is considered when employees have any kind of drugs available, not only on their body, clothing, personal bags or briefcases, but also inside furniture, equipment or vehicles provided by the Company for the performance of their duties.

Any employee found under the harmful effects of a drug, alcoholic beverage or other type of substance will be subject to the corresponding disciplinary measures. Any case or situation that may arise should be immediately reported to the direct supervisor and the corresponding human resources office.

Harmful effects are defined as any physical or psychological alterations (motor skills, attitude reactions, judgment, etc.) caused by the use of alcohol, illegal drugs or by the unauthorized dosage of prescription medicines.

Personal security

In order to ensure a safe and risk-free environment promoted by TELMEX, personal security is fundamental.

All of TELMEX employees have, in addition to the above-mentioned commitments, the responsibility to take care of themselves, their wellbeing and safety, as well as the security of the Company's facilities. In order to do so, we promote the compliance of security guidelines and regulations in the workplace. This means knowing how to use the proper equipment for each duty in order to avoid accidents that could jeopardize an employee's state of health or life.

The human capacity to seek his or her personal wellbeing also implies one's capacity to seek the wellbeing of our families, our co-workers and the community as a whole.

6. Relationships with competitors

Competitiveness is the ability of companies to freely and fairly compete, with a positive attitude, turning this into a factor for the Company's development.

Therefore, at TELMEX relationships with our competitors are clearly regulated by the corresponding legislation and must be fully complied with and respected.

Compliance with the Law and Participation with Competitors in a Respectful Environment

All of TELMEX employees must fully comply with the law and any regulation related to our Company's business. Likewise, we must behave ethically and avoid any activity that may seem to imply a prohibited action.

It is our commitment to compete based on the merit of our products and services as well as on our capacity to offer them under the best possible terms. Under no circumstance may an agreement be reached with a (current or potential) competitor to restrict competition by means of price fixing, market sharing or market distribution, production quotas, designation, allocation or limitation of sources of supply, limitation of technological developments, refusal to provide a service, agreements on tender procedures or any other similar activity. Except for the responsible department, no other member of the Company can discuss with a competitor any topic related to competition.

The following practices must be avoided:

- I. The exclusive distribution of goods or services, as well as the imposition of the obligation of not manufacturing or distributing goods or providing services.
- II. Discrediting competitor products and services.
- III. Imposing a price or other conditions for distributors or suppliers.
- IV. Conditioning others to acquire our Company's products or services before we buy something from them. Customers must not be conditioned to buy something they do not wish to buy in order to obtain another product or service they want to acquire.
- V. Transactions subject to the condition of not using, acquiring, selling, marketing or providing goods or services marketed by a third party.
- VI. Refusing to deal with others, to acquire goods and services from others, simply because they are our competitors in other areas.
- VII. Agreements against an economic entity to refuse to sell, market or acquire goods or services from such economic agent.
- VIII. The systematic sale of goods or services at prices below their average total cost or occasional sale below the average variable cost, with the purpose of increasing prices later.
- IX. Condition promotional sales or purchases to a refusal to sell or purchase goods or services to/from a third party.
- X. Cross-subsidization.
- XI. Discriminatory practices.

In addition to the above, relationships must never be established with a competing company that may generate a conflict of interest* or that affects the impartiality of our judgments.

Legal framework

Federal Law on Telecommunications and Radio Broadcasting 2014

Federal Competition Law

Reporting

If a TELMEX employee detects any improper practice regarding competition matters, he/she must immediately report it to the Company's Telecommunications Operators Attention Department and to the Regulation and Legal Affairs Department.

Mergers and acquisitions of other companies

TELMEX, through its respective departments, will make sure that mergers and acquisitions do not harm or limit competition in the respective markets.

Sanctions

The Company's personnel must comply with the aforementioned guidelines. In case of non-compliance, these actions can imply strict substantial economic sanctions against our Company, as well as direct or indirect economic sanctions to those individuals having participated in the action.

7. Relationships with shareholders

Our shareholders – like those in any other sound Company – seek an attractive profit as a reward for their investment risk. Their search for profitability is not only a consequence of this expectation, but also an essential demand of the Company to ensure its presence and development.

The profitability we want for our Company implies:

- Efficient management directly related to our principle of austerity.
- Proper management of resources as a response to shareholder confidence.

Additionally, we expect our shareholders to ensure the confidentiality of any issue related to the privileged information to which they have access.

Legal framework

Mexican Securities Law: America Movil shares are listed in the Mexican Stock Exchange and TELMEX, as one of its subsidiaries, is subject to the laws regulating the public offering of these securities, their market intermediation and the activities of individuals participating in it.

Securities Exchange Act of 1934 and Sarbanes-Oxley Act of 2002 (both in the USA): America Movil shares are listed in the international markets, including the USA. TELMEX as one of its subsidiaries must comply with the laws that regulate the operation of the stock exchange markets in that country.

8. Transactions with Company securities

On this issue, the Company's policies establish that:

1. Being a shareholder or a holder of securities issued by or in connection to America Movil or its subsidiaries is not, in itself, prohibited or punishable. However, not considering the legal or political dispositions of TELMEX about operations and use of privileged information is a matter of extreme gravity.
2. It is prohibited to disclose without previous authorization any privileged information pertaining to Grupo TELMEX or any of its partner companies, to any person, society or third party in general, including family relatives.
3. Employees working for Grupo TELMEX who have access to privileged information are restricted from making operations on their own or for the sake of third parties; this includes informing or giving advice to third parties about how to perform operations with securities emitted by America Movil or its subsidiaries.
4. Personnel with access to Grupo TELMEX's privileged information as well as the members of their families, who engage in operations with America Movil securities or its subsidiaries, must comply with legal regulations, as well as with the guidelines established by TELMEX and America Movil for that matter.
5. Non-compliance with the referred policies and recommendations may result in a responsibility towards the employee of Grupo TELMEX, as well as to TELMEX or America Movil, in accordance with the applicable laws and regulations.

Accurate, complete, precise and timely disclosure of information

TELMEX has securities listed in the Mexican Stock Exchange. Likewise, stocks from its parent company, America Movil, are listed on the Mexican Stock Exchange, the New York Stock Exchange, the NASDAQ Market and the Latin American Stock Exchange Market (LATIBEX) in Madrid, Spain. Consequently, the company must comply with all the applicable requirements related to the disclosure of public information. All employees concerned with the generation or provision of such information should guarantee that the information is accurate, complete, precise and delivered in a timely manner.

9. Media and advertising

Attention to all types of platforms of national and international media is the sole and exclusive responsibility of the Communications Directorate. Departments receiving media requests must immediately and without exception refer them to the Communications Directorate who will treat them on the basis of the Company's available public information. Information provided must always be consistent with the public positions expressed by TELMEX, as determined by the Chief Executive Officer.

10. Environment

Our Company is strongly committed to protecting and preserving the environment. All employees must comply with the corresponding local, state or federal regulations.

In addition to strictly complying with these regulations, TELMEX employees must keep in mind the importance of caring for the natural environment as a part of their individual consciousness, where any contribution, regardless of how small it may be, is capable of making a difference. Actions such as saving energy, avoiding paper waste, using motors and machinery on established schedules, not generating excessive noise, avoiding the waste of water, etc., demonstrate an attitude of cooperation and commitment towards environmental care.

11. Political activities

The Company respects political rights as well as civic participation in professional associations and non-governmental organizations. For this reason, rules concerning political activities inside the Company establish that they be performed outside work hours and that no property or funds belonging to the Company be used for political purposes.

VI.

Final remarks

This Code of Ethics confirms our Company's commitment to attain the highest standards of conduct in Mexico in terms of business, employment and social responsibility

As we have already stated, each person is accountable for his or her actions. Our conduct can directly or indirectly influence our customers' image of our Company.

It is important to mention that this Code does not include all the rules and regulations that apply to each situation. Its content has to be considered in conjunction with the Company's policies, practices, instructions and procedures, as well as the legal directives. However, if a situation lacks a specific guideline, we expect that all TELMEX employees apply the highest ethical standards when facing a particular situation.

As part of TELMEX, each one of us has the duty to report to our direct supervisor or to the Ethical Committee any behavior incompatible with

this Code or any other law, regulation, guideline, measure, policy or procedure established by the Company.

Any potentially improper conduct will be reviewed and investigated by the Ethical Committee. If the fault is a matter of accounting, audit or internal control, this must be duly communicated to the Audit Committee. All employees must cooperate with internal or external inquiries while maintaining the confidentiality of the entire investigation.

Suggestions and complaints:

Your suggestions and comments are welcome.

See below for different alternatives to contact us:

Code of Ethics email address:

etica@telmex.com

01-800-122-5050

The Ethical Committee will handle all information received with strict discretion and confidentiality.

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VII.

Ten basic rules

1. Respect the ethical rules, laws and regulations that guide us while making sure we comply with the applicable policies of our Company.
2. Perform our duties and tasks with quality and care; treating our clients, suppliers and fellow co-workers with diligence and respect.
3. Fully honor our commitments to our clients and suppliers.
4. Respect the privacy of our client information, including data at our disposal and information about the use of the telecommunications and information technologies network.
5. Adequately safeguard our Company's information, assets and resources, preserving confidential information.
6. Provide the same treatment to each person, regardless of his or her characteristics or personal convictions.
7. Avoid establishing relationships that may imply a conflict of interest.
8. Respect and participate in the protection of our surroundings and natural environment.
9. Act with social responsibility when performing our duties and in our personal conduct.
10. Participate actively in the compliance of this Code of Ethics.



VIII. Sources of information

1. Federal Telecommunications Institute (IFT, in Spanish)
2. Political Constitution of the Mexican Federated States
3. Collective Work Contract
4. Federal Law on Economic Competition
5. Federal Law for Consumer Protection
6. Federal Law on Telecommunications and Radio
Broadcasting
7. Federal Work Law
8. Law on Securities Market
9. Policies for the use of email, Internet and computers
10. Internal work regulation and corporate directives
11. Securities Exchange Act of 1934 and Sarbanes-Oxley
Act of 2002 (both in the USA)
12. Concession title and its amendment

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For more information visit: **<http://intranet>**