

Attachment II.2.2 In Response to Request II.2 provided in a CD.

The Applicants have designated the files
on the CD of Attachment II.2.2 as
Confidential Information.

Attachment II.5

In Response to Request II.5

General Devices (All Customers, inc. Prepaid)	GOOD	Manufacturer	Model	Technology	Exclusive	
	BETTER	REDACTED				
	BEST					

		Manufacturer	Model	Technology	Exclusive
Prepaid-specific Phones	Phone-in-box	REDACTED			
	PayGO				

		Manufacturer	Model	Technology	Exclusive
End-of-Life/Close out Devices		REDACTED			

**The End-of-Life/Close out Devices are currently for sale as long as they are available in AT&T's inventory. AT&T, however, will not continue to purchase these models once existing inventory has been sold.*

	Manufacturer	Model	Technology	Exclusive
DATA DEVICES	REDACTED			

Attachment III.2.a.1
In Response to Request III.2.a

Attachment III.2.a.1

AT&T National Voice Plans - 4/22/09						
Effective Date	Monthly Access	Anytime Minutes	Overage	Other Standard Features	Additional Line	Notes

REDACTED

Puerto Rico/U.S.V.I. Voice Plans							
Market	Promo Name	Monthly Access	Anytime Minutes	Overage	Other Standard Features	Additional Line	Notes

REDACTED

Puerto Rico/U.S.V.I. Voice Plans							
Market	Promo Name	Monthly Access	Anytime Minutes	Overage	Other Standard Features	Additional Line	Notes

REDACTED

Voice - Add-Ons

Add-ons	AT&T Mobility
	Postpaid

REDACTED

International Plans (per minute rate not included & varies by country)	MRC	Plan Info
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REDACTED

Voice - Other Fees

Other Fees	AT&T Mobility
	Postpaid
Contract Term	
2 Year Term	
1 Year Term	
No Contract	
Activation Charge	
Primary	
Secondary	
Return Policy	
Early Termination Fees	
Regulatory Fees	
Administrative Charges	
411 Fees	
Detailed Billing	
Domestic Roaming	
International Roaming	

REDACTED

Attachment III.2.a.2
In Response to Request III.2.a

Current AT&T Data Offerings

Category	Messaging Category	Data Category	Bundle Category	Feature	MRC	Key
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REDACTED

AT&T Data Offerings - DataConnect

Plan Name	Monthly Cost	Included Data	Additional Data	Canadian Data	International Data
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REDACTED

Attachment III.2.a.2 in response to Request III.2.a

AT&T Data Offerings - PDA, Blackberry, Smartphone

Plan Name	Monthly Cost	Included Data	Additional Data	Canadian Data	International Data	NOTES
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REDACTED

Attachment III.2.a.3
In Response to Request III.2.a

REDACTED

Attachment III.2.a.4
In Response to Request III.2.a

Attachment III.2.a.4

AT&T GOPHONE - VOICE									
Unlimited Talk									
Effective Date	Monthly Access	Anytime Minutes	NW	M2M	Overage	Additional Line	Nights and Weekends	Standard Features	Markets

REDACTED

Simple Rate									
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REDACTED

Pick Your Plan									
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REDACTED

Features	
Plan	Notes

REDACTED

Mexico Roaming	
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REDACTED

Replenishment	
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REDACTED

AT&T GOPHONE - DATA						
Effective Date	End Date	SMS PPU	MMS	Browse	Data Features	Mexico Roaming

REDACTED

AT&T GOPHONE - PUERTO RICO/U.S.V.I.

Market	Plan Type	Bill Code	Monthly Access	Anytime Minutes	Overage	Other Standard Features	Additional Line	Notes
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REDACTED

REDACTED - FOR PUBLIC INSPECTION

Attachment III.2.a.4 in response to Request III.2.a

REDACTED

Attachment III.2.a.5
In Response to Request III.2.a

This entire attachment consisting of pages III.2.a.5-2 through III.2.a.5-4 has been redacted.

Attachment III.3.a.1

In Response to Request III.3.a

This entire attachment consisting of pages III.3.a.1-2 through III.3.a.1-3 has been redacted.

Attachment III.3.a.2

In Response to Request III.3.a

This entire attachment consisting of pages III.3.a.2-2 through III.3.a.2-3 has been redacted.

Attachment III.15.1
In Response to Request III.15

CENTENNIAL- NET POSITION- 2008

CENTENNIAL- 2008 TOTAL

IC VOICE

Redacted - Highly Confidential

IC DATA

IC TOTAL

OC VOICE

OC DATA

OC TOTAL

NET PAYMENT TO CENTENNIAL

\$ 14,704,567

CENTENNIAL CELLULAR-2008
VOICE

INCOLLECT-VOICE

AT&T- Excluding Dobson	Data	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Grand Total
	TOTAL MOU	Redacted - Highly Confidential												
	CONTRACT CHRGS	Redacted - Highly Confidential												
	BLENDED RATE	Redacted - Highly Confidential												
AT&T (DOBSON)	Data	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Grand Total
	TOTAL MOU	Redacted - Highly Confidential												
	CONTRACT CHRGS	Redacted - Highly Confidential												
	BLENDED RATE	Redacted - Highly Confidential												
TOTAL AT&T (Including Dobson)	Data	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Grand Total
	TOTAL MOU	Redacted - Highly Confidential												
	CONTRACT CHRGS	Redacted - Highly Confidential												
	BLENDED RATE	Redacted - Highly Confidential												

OUTCOLLECT-VOICE

AT&T- Excluding Dobson	Data	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Grand Total
	TOTAL MOU	Redacted - Highly Confidential												
	CONTRACT CHRGS	Redacted - Highly Confidential												
	BLENDED RATE	Redacted - Highly Confidential												
AT&T (DOBSON)	Data	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Grand Total
	TOTAL MOU	Redacted - Highly Confidential												
	CONTRACT CHRGS	Redacted - Highly Confidential												
	BLENDED RATE	Redacted - Highly Confidential												
TOTAL AT&T (Including Dobson)	Data	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Grand Total
	TOTAL MOU	Redacted - Highly Confidential												
	CONTRACT CHRGS	Redacted - Highly Confidential												
	BLENDED RATE	Redacted - Highly Confidential												

CENTENNIAL CELLULAR-2008
DATA

INCOLLECT-DATA

AT&T- Excluding Dobson	Data	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Grand Total
	TOTAL MBs	Redacted - Highly Confidential												
	CONTRACT CHRGS	Redacted - Highly Confidential												
	RATE	Redacted - Highly Confidential												
AT&T (DOBSON)	Data	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Grand Total
	TOTAL MBs	Redacted - Highly Confidential												
	CONTRACT CHRGS	Redacted - Highly Confidential												
	RATE	Redacted - Highly Confidential												
TOTAL AT&T (Including Dobson)	Data	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Grand Total
	TOTAL MOU	Redacted - Highly Confidential												
	CONTRACT CHRGS	Redacted - Highly Confidential												
	RATE	Redacted - Highly Confidential												

OUTCOLLECT-DATA

AT&T- Excluding Dobson	Data	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Grand Total
	TOTAL MBs	Redacted - Highly Confidential												
	CONTRACT CHRGS	Redacted - Highly Confidential												
	RATE	Redacted - Highly Confidential												
AT&T (DOBSON)	Data	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Grand Total
	TOTAL MBs	Redacted - Highly Confidential												
	CONTRACT CHRGS	Redacted - Highly Confidential												
	RATE	Redacted - Highly Confidential												
TOTAL AT&T (Including Dobson)	Data	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Grand Total
	TOTAL MBs	Redacted - Highly Confidential												
	CONTRACT CHRGS	Redacted - Highly Confidential												
	RATE	Redacted - Highly Confidential												

Attachment III.15.2
In Response to Request III.15

Centennial Communications

Outcollect & Incollect Roaming CY 07

	Outcollect	Incollect
Voice MOU	Redacted - Highly Confidential	
Voice \$		
Voice Rate		
Data Volume (Kb)		
Data \$		
Data Rate		
Total ATT \$	44,571,063	21,454,858
Net Payment from ATT \$	23,116,205	

Attachment IV.1.1

In Response to Request IV.1

**TELÉFONOS DE MÉXICO, S.A.B. DE C.V.
BYLAWS UPDATED AS OF DECEMBER 21, 2007.**

**ON THE CORPORATION
NAME AND ADDRESS**

FIRST. The appearing parties hereby incorporate a Mercantile Stock Corporation with Variable Capital (“Sociedad Anónima Mercantil de Capital Variable”) called “TELEFONOS DE MEXICO”. The words “SOCIEDAD ANONIMA BURSATIL DE CAPITAL VARIABLE” or the letters “S.A.B. de C.V.” shall follow this name.

SECOND. The Corporation’s domicile is Mexico City, Federal District; however, it may set up offices, branches or agencies anywhere in the Mexican Republic or abroad.

**ON THE CORPORATE PURPOSE, DURATION,
NATIONALITY AND CAPITAL STOCK**

THIRD. The corporate purpose of the Corporation shall be the following:

- a) Build, install, maintain, operate and exploit a telephone and telecommunications public network to provide the public service of carrying voice, sound, data, text and image signals locally, and national and international long distance and the basic telephony public service.
- b) Acquire direct ownership of real property, subject to provisions under Article 27 of the Political Constitution of the United Mexican States and the Foreign Investment Law and its Regulations.
- c) Lease all kinds of property and enter all kinds of legal acts to obtain or grant the use or the use and enjoyment of the real property.
- d) Acquire, sell and enter all kinds of legal acts whose objective is real estate, machinery, equipment and tools that may be necessary or convenient to reach the corporate purpose.
- e) Acquire, sell and enter any and all kinds of legal acts on all kinds of actions, corporate interest and participation in Mexican or foreign corporations.
- f) Enter any and all legal acts whose purpose is to obtain credits or rights.
- g) Enter any and all legal acts related to patents, brands and trade names.
- h) Provide and receive all kinds of advisory, technical, scientific and administrative services.
- i) Issue bonds and debentures.
- j) Establish branch offices, agencies and offices in the Mexican Republic or abroad.
- k) Act as agent, representative or commission agent of Mexican or foreign individuals or corporations.
- l) Lend or borrow money as a loan.
- m) Accept, subscribe, guarantee or endorse all kinds of credit instruments.
- n) Give all kinds of securities including the making of real rights and fiduciary right that may be necessary and convenient to meet the corporate purpose.
- ñ) Secure by any and all legal means, including the creation of rights in rem and fiduciary rights, the obligations of Mexican or foreign individuals or corporations, and become a joint debtor with Mexican or foreign individuals or corporations.

o) Enter any and all acts or contracts related to the corporate purpose and which are legal for a corporation.

FOURTH. The duration of the corporation shall be one hundred (100) years beginning on the date of this deed.

FIFTH. This is a Mexican Corporation. All foreigners who during its incorporation or at any time thereafter acquire an interest or equity in the Corporation, by this simple act shall be considered to be Mexican regarding one and the other, and it shall be understood that they agree not to invoke the protection of their government, subject to the penalty of forfeiting such interest or equity in favor of the Mexican Nation, in the event of non-compliance with this agreement.

This corporation shall not, in connection with the validity, interpretation or compliance with the concession that the Mexican Federal Government may grant this corporation, to build, install, maintain, operate and exploit a telephone public network through which it shall provide the public service of carrying voice, sound, data, text and image signals local and national and international long distance and the basic telephony public service, have greater rights or resources than those granted by the Mexican laws to Mexicans and therefore it binds itself to not request or accept, for all matters related to the operation and exploitation of the services given under that concession, the diplomatic intervention of a foreign country, or of any international public or private entity, subject to the penalty of forfeiting for the benefit of the Mexican Nation, all the goods and rights it has acquired to build, establish and exploit the communications network and the services under that concession.

In no event may it directly or indirectly assign, mortgage or in any way encumber or alienate the concession, the rights granted under it, the network, the buildings, stations, ancillary services, agencies or accessories, in favor of a foreign Government or State, nor accept them as partners in this corporation.

SIXTH. The capital stock is variable, with a minimum fixed capital stock of \$139,163,691.18 (one hundred thirty-nine million one hundred sixty-three thousand six hundred ninety one Mexican pesos and eighteen cents) represented by 8,114,596,082 (eight billion one hundred fourteen million five hundred ninety-six thousand eighty two) common Series "AA", nominative, without par value shares; 461,548,312 (four hundred sixty-one million five hundred forty-eight thousand three hundred twelve) common Series "A", nominative, without par value shares and 23,655,859,470 (twenty-three billion six hundred fifty-five million eight hundred fifty-nine thousand four hundred seventy) nominative, without par value, limited-voting Series "L" shares; all fully subscribed and paid."

The maximum capital stock authorized may not exceed ten (10) times the minimum fixed capital. The capital stock shall be represented by Series "AA" shares which shall account for not less than 20% (twenty percent) and not more than 51% (fifty one percent) of the capital stock and they shall represent at all times not less than 51% (fifty one percent) of ordinary shares representing that capital stock. These shall be ordinary, nominative shares without par value which may only be subscribed and acquired by Mexican investors; by Series "A" shares not in excess of 19.6% (nineteen point six percent) of the capital stock and a maximum of 49% (forty nine percent) of ordinary shares into which the capital stock is divided and which shall be ordinary, nominative, unrestricted shares, and by Series "L", unrestricted shares with limited voting rights, which together with Series "A" shares may not exceed 80% (eighty percent) of capital stock.

Every time the capital stock is increased, such increase shall be represented proportionately by Series "AA" subseries, by Series "A" subseries and by Series "L" subseries, which shall represent totally and exclusively the pertinent increase. The Corporation may issue non-subscribed shares of any series comprising the variable portion of the capital stock, and these shall be kept at the Treasury, to be distributed as the subscription is carried out.

A minimum of 51% (fifty one percent) of the ordinary shares, into which the capital stock is divided, must be subscribed by Mexican investors. These shall be Series "AA" shares. Up to 49% (forty nine percent) of the remaining shares, represented by Series "A" shares, may be acquired by Mexican investors and by foreign individuals or corporations and economic entities or by Mexican companies with foreign held majority capital interest or where foreigners have the authority, by whatever right, to control the management of the Corporation.

Series "AA" and "A" ordinary shares jointly may not represent more than 51% (fifty one percent) of the shares into which capital stock is divided.

Series "L" shares may be unrestricted and therefore may be acquired by Mexican investors or by foreign individuals or companies and economic entities or by Mexican corporations with foreign held majority capital share, or where foreigners have the authority, by whatever right, to control the management of the Corporation.

The Series "AA" shares may only be subscribed by Mexican investors and shall represent at all times, a percentage that may not be less than 20% (twenty percent) of the capital stock. The unrestricted Series "A" and Series "L" shares jointly may not represent more than 80% (eighty percent) of the capital stock.

Series "AA" shares shall only be subscribed or acquired by:

a) Mexican individuals.

b) Mexican corporations whose articles of incorporation have a foreigners-exclusion clause, whose partners or stockholders may only be Mexican individuals and/or Mexican corporations whose articles of incorporation have, in turn, a foreigners-exclusion clause.

c) Mexican corporations whose articles of incorporation set forth that at least 51% (fifty one percent) of their capital stock shall only be subscribed or acquired by (i) Mexican individuals and/or (ii) Mexican corporations whose articles of incorporation have a foreigners-exclusion clause, whose partners or stockholders may only be Mexican individuals and/or corporations whose articles of incorporation have, in turn, a foreigners-exclusion clause, and/or (iii) Mexican corporations that admit minority foreign participation, provided in this latter case, that the shares representing the capital stock of those corporations are listed in the Bolsa Mexicana de Valores, S.A. de C.V. (Mexican Stock Exchange), and had been listed prior to November 15 (Fifteen), 1990 (nineteen ninety).

d) Mexican credit, insurance and bond institutions, and Mexican investment companies operating pursuant to the Investment Companies Act, provided that the shares or patrimonial contribution certificates of the corresponding institution or corporation are listed in the Bolsa Mexicana de Valores, S.A. de C.V. and had been listed prior to November 15, 1990.

e) Trusts expressly approved to acquire Series "AA" shares by the pertinent authorities in accordance with the Law to Promote Mexican Investment and Regulate Foreign Investment and its Regulations, in which (i) the individuals or corporations meeting the requirements stated in paragraphs a), b) and d) herein above have the majority of the beneficiary rights, or (ii) Series "AA" shares subject matter of the trust represent a minority of the representative shares of such Series and have to be voted by the trustee in the same way as the majority of Series "AA" shares.

The paragraph preceding this Clause and its paragraphs a) through e) shall not be amended without previous authorization from the Secretaries of Communications and Transport and of Trade and Industrial Promotion.

Foreign Governments or States may not acquire the shares issued by the Corporation and should this occur, they shall be null and void for their holder as of the time of acquisition.

SEVENTH. All shares shall have the same rights, within their corresponding series. Each Series "AA" and "A" ordinary share has the right to one vote at the General Stockholders' Meetings. Series "L" shares only have the limited right to vote on those matters specified in these By-laws and which shall be transcribed on the share certificates. If authorized by the Board of Directors, the share certificates shall be hand-signed by any two Directors or shall bear a printed facsimile thereof. In this latter case, the original signatures shall be filed with the Section of Commerce of the corresponding Property Registry Bureau. The share certificates shall be numbered consecutively and may cover one or several shares and shall contain dividend payment coupons. The share certificates or the provisional certificates must contain all the information required by Article one hundred and twenty-five (125) of the General Corporations Law and also clause fifth (5th) hereof.

EIGHTH. Series "L" shares only have the right to vote on the following matters: transformation of the Corporation, merger with another Corporation as merged Corporation or merger with another Corporation as surviving Corporation when the merged corporation's corporate purpose is not related or connected to those of the surviving Corporation and the cancellation of registration of the shares issued by the Corporation in the securities or special sections of the National Registry of Securities and in other foreign Stock Exchanges where they are listed.

Series "L" shares, on the basis of a resolution adopted by a Special Stockholders' Meeting called for such purpose, shall be entitled to appoint two (2) Directors and the corresponding Alternate Directors, to sit on the Corporation's Board of Directors.

Whomever shall be authorized therefor by the Special Stockholders' Meeting referred to in the preceding paragraph shall inform in writing to the Corporation's Chairman and/or Co-Chairman of the Board and/or the entity determined by that Stockholders' Meeting, the names of the persons who have been elected by Series "L" shares to act as Directors and Alternate Directors of the Board of Directors.

NINTH. Effective on the date of this deed and at the request of the corresponding stockholders, the shares comprising the Corporation's Series "A" shares may be exchanged at par for Series "L" shares by handing over the former to the Corporation's Treasury and by canceling them.

TENTH. Effective January 1st, 2001 (January first, two thousand and one), at the request of the relevant stockholders, they may exchange their Series "L" shares for Series "AA" shares, if the shareholder in question is Mexican and, after complying with the requirements set forth, and to be set forth in the relevant ruling provisions, as the case may be, and if the corresponding shareholder is a foreigner, after handing them over to the Corporation's Treasury.

In case several stockholders request an exchange of their Series "L" shares for Series "AA" shares on the same date, and there are not sufficient "AA" shares at the Corporation's Treasury to meet such requests, the exchange shall be carried out amongst all the corresponding stockholders, in proportion to the number of shares requested by each applicant.

ELEVENTH. Effective on the date of this deed, at the request of Series "AA" stockholders, such shares may be exchanged at par for Series "L" shares, provided that after such exchange, the percentage of Series "AA" shares does not represent less than 20% (twenty percent) of the capital stock, by handing over the former to the Corporation's Treasury.

TWELFTH. The Corporation shall maintain a Stockholders register and shall consider as owners of shares those who are so determined therein. At the request of any interested party and subject to the required proof, the Corporation must record in said register the transfers that may be carried out, provided they comply with the provisions under this Clause and all the other applicable legal provisions.

Pursuant to the terms of Article 48 (forty eight) of the Securities Market Law, as a measure to prevent the acquisition of shares that grant directly or indirectly, the Control of the Corporation to third parties or the stockholders themselves, and pursuant to Article 130 of the General Corporations Law it is established that the acquisition of the shares issued by the Corporation, or of titles or instruments issued based on those shares, or of rights over those shares, may only be carried out subject to previous authorization from the Board of Directors if the number of shares to be assigned or acquired, in an act or several acts, without time limitations, or of a group of inter-related shareholders, acting in accord, represents ten per cent (10%) or more of the shares with voting rights issued by the Corporation.

For the purpose herein above, the individual or group of individuals interested in acquiring an equity interest equal or higher than ten per cent (10%) of the shares with voting right issued by the Corporation shall submit their authorization request in writing and addressed to the Chairman and the Secretary of the Board of Directors of the Corporation. This application shall include at least the following information: (i) the number and class of shares issued by the Corporation owned by the person or group of persons that intend to carry out this acquisition; (ii) the number and class of shares subject matter of this acquisition; (iii) the identity and nationality of each one of the potential acquirers; and (iv) statement of whether there is the intention of acquiring a significant influence, pursuant to the definition of this term under the Securities Market Law, or of Control of the Corporation, pursuant to the term as defined hereinafter. With respect to the above, it is understood that the Board of Directors may request additional information it deems necessary or convenient in order to make a decision.

If in accordance with the terms under this Clause the Board of Directors denies the authorization, it shall appoint one or more buyers of the shares, who shall pay the interested party the price registered at the stock exchange. In the event that the shares have not been registered in the National Security Register, the price to be paid shall be set pursuant to the aforementioned Article 130 (one hundred and thirty) under the General Corporations Law.

The Board of Directors shall make its decision in a term not in excess of three months beginning on the date in which the corresponding application was filed or the date in which it receives the additional information it requested, as the case may be and, in any event, it shall consider the following: (i) the criteria that better serve the Corporation, its operations and the long term vision of the Corporation's and its Subsidiaries' activities; (ii) that one or more shareholders of the Corporation, other than the person that intends to obtain control, are not excluded from the economic benefits, which in their case are generated by the application of this Clause; and (iii) that the taking of Control of the Corporation is not absolutely restricted.

The Corporation may not take measures that invalidate the exercising of the acquirer's patrimonial rights, nor that violate the provisions under the Law for the mandatory acquisition public offerings. Nevertheless, each one of the persons that acquires shares, titles, instruments or capital stock of the Corporation, violating the paragraph above, shall be bound to pay liquidated damages to the Corporation for an amount equivalent to the price of the total shares, titles or instruments that represent capital stock of the corporation that they directly or indirectly own, or which have been the subject matter of a forbidden operation. If the operations that gave place to the acquisition of a percentage of the shares, titles, instruments or rights representative of capital stock of the Corporation that is higher than 10% (ten per cent) of the capital stock, and this is done gratuitously, the liquidated damages shall be equivalent to the market value of those shares, titles or instruments, provided the authorization mentioned under this clause was not given.

While the Corporation keeps the shares issued, registered in the National Securities Register, if the transactions are carried out through the Securities Exchange, the previous requirement, shall also be bound to the rules that as the case may be, are established under the Securities Market Law or those that form it, issued by the National Banking and Securities Commission. For clarity purposes, it is stated that the assignment of shares of the Corporation that do not imply that the same person or group of persons acting together in agreement, acquire a participation that is equal or higher than ten per cent (10%) of the shares with voting rights of the Corporation and that are exchanged through a stock exchange, shall not require prior authorization from the Corporation's Board of Directors.

The person or group of persons that being bound to make an acquisition public offering, do not do it or that obtain Control of the Corporation violating Article 98 of the Securities Market Law, may not exercise the partnership rights derived from the shares acquired in violation of those provisions, nor of those they acquire hereinafter when they fall under the assumed breach status, and therefore the agreements made thereof shall be void. In the event that the acquisition included all the common shares of the Corporation, the holders of all the other series of shares, if any, shall have full voting rights until the corresponding offer is carried out. Acquisitions that violate provisions under Article 98 mentioned herein above shall be affected by voidable action and the person or group of persons that carry them out shall be liable before all other stockholders of the Corporation for damages and losses caused by the breach of the obligations mentioned under the applicable legal provisions.

In addition, in the case of acquisitions to be made through public offerings pursuant to the Securities Market Law, the persons acquiring them shall: (i) comply with the requirements under the ruling provisions in effect, (ii) obtain the corresponding regulatory authorizations and (iii) obtain prior authorization from the Board of Directors, to carry out any and all substitutions of shares that imply ten per cent (10%) or more of the Corporation's capital stock shares.

Furthermore, a majority of the directors of the Board of Directors who have been elected for that position prior to there being any circumstance that could imply a Change of Control, shall grant their authorization, in writing, through a resolution adopted at a Board of Directors meeting summoned expressly therefore and pursuant to the terms of these bylaws, so that there can be a change of Control in the Corporation.

The provisions under this Clause do not preclude in any way, and are applicable in addition to the notices, notifications and/or authorizations the potential acquirers should submit or obtain pursuant to the regulating provisions in effect.

"Control" or "to control" means the capacity of a person or group of persons to carry out any of the following actions: (i) impose, directly or indirectly decisions at the General Stockholders', or partners' or equivalent entities' Meetings, or appoint or dismiss the majority of the Directors, managers or their equivalent; (ii) hold title to the rights that directly or indirectly allow the exercise of the vote of more than fifty per cent (50%) of the capital stock; or (iii) directly or indirectly be in charge of the Corporation's management, strategy or main policies, whether this is done through the ownership of the securities, by contract or in any other manner.

Acquisitions made in violation of the provision stated herein above may not be registered in the Corporation's Stockholders' Register Book.

The Board of Directors may determine if any person is acting jointly or in a coordinated manner for the purpose regulated under this Clause. If the Board of Directors adopts this decision, the persons in question shall be deemed to be a single person pursuant to this Clause.

While Corporation's shares are registered in the National Securities Register, pursuant to the Securities Market Law and the general provisions thereto issued by the National Banking and Securities Commission, in case the registration of the Corporation's shares is cancelled at the Securities Section of that Register, whether this is done by request of the Corporation itself or by resolution adopted by the National Banking and Securities Commission pursuant to the law, the Corporation binds itself to make an acquisition's public offering pursuant to Article 108 of the Securities Market Law, exclusively addressed to the stockholders or the holders of the credit titles represented by those shares, and who are not part of the group of persons who have the Corporation's control (i) as of the date of the requirement of the National Banking and Securities Commission in case of cancellation of the registry done pursuant to a resolution of that Commission or (ii) on the date of the resolution adopted by the General Extraordinary Stockholders' Meeting, if such is a voluntary cancellation.

The Corporation shall place under a trust for a minimum six (6) month period, beginning on the cancellation date, the necessary funds to buy at the same price of the offer, the shares of the stockholders who did not attend the meeting or did not accept this offer, in the event that after the purchase public offer has been made and prior to the cancellation of the registry of the shares representing the capital stock of the Corporation or other securities issued based on these shares in the National Securities Register, the Corporation has been unable to obtain 100% (one hundred per cent) of the capital stock paid.

The purchase public offering mentioned herein above shall be made at least at the higher price of: (i) the quotation value and (ii) the book value of the shares or titles representing those shares in accordance with the last quarterly report submitted to this Commission and to the stock exchange before the offering begins, which may be adjusted when this value has been modified in accordance with criteria applicable to the determination of relevant information, in which case, the most recent information the Corporation has shall be taken into account, together with a certification made by an empowered executive of the Corporation, regarding the determination of that book value.

For the purpose herein above, the quotation value shall be the average weighted price by volume of the transactions that have been carried out during the last thirty (30) days in which the shares of the Corporation or credit titles that represent those shares were traded, prior to the beginning of the offer for a period that may not be longer than six (6) months. If the number of days in which those shares or titles representing those shares have been traded, during the period mentioned herein above, is less than thirty (30), the days in which they were actually traded shall be taken into account. If the shares have not been traded at all during that period, the book value shall be taken into account.

The National Banking and Securities Commission, upon resolving the authorization of the purchase public offer with the intent to cancel the aforementioned registry, may authorize a different price. It shall not be necessary to carry out the public bid if the consent of all the stockholders for the cancellation is accredited. Aside from any other requirement established under the Securities Market Law and other applicable provisions to that effect, in order to cancel the registration required in the National Securities Register of the Corporation's shares, the following are necessary: (i) prior approval of the National Banking and Securities Commission and (ii) the resolution of the Extraordinary Stockholders' Meeting with a minimum voting quorum of 95% (ninety five per cent) of the capital stock.

Corporations controlled by the Corporation may not directly or indirectly acquire, shares representing the Capital Stock, or credit titles that represent those shares, except if the acquisitions are made through mutual funds.

THIRTEENTH.- The variable capital of the Corporation may be increased or decreased without having to amend the bylaws, with the only formality being that the increases or decreases be resolved at the Extraordinary Stockholders' Meeting and that they be registered before a Notary Public, without having to certify the corresponding deed testimony in the Commerce Section of the corresponding Property and Commerce Public Registry; except in the case of the increases or decreases referred to in Article 56 of the Securities Market Law, in which cases the approval or certification mentioned herein above will not be necessary.

The minimum fixed capital of the Corporation may not be increased or decreased unless it is resolved at an Extraordinary Stockholders' Meeting and the corresponding bylaws are amended, except when the increases or decreases are as provided under Article 56 of the Securities Market Law.

All capital increases or decreases shall be registered in the Book carried therefor by the Corporation.

A capital stock increase may not be decreed unless all the shares previously issued by the Corporation are fully subscribed and paid.

The Corporation may issue non-subscribed shares for their subsequent placement amongst the public pursuant to the terms and conditions foreseen therefor under Article 53 of the Securities Market Law.

When the capital stock is increased, all stockholders shall enjoy preferential rights to subscribe the shares issued or outstanding, based on the number of the corresponding Series' shares they hold. The right granted in this paragraph shall be exercised within the thirty (30) calendar days following the day in which the corresponding resolutions are published in the Federal Official Gazette and in another major newspaper in Mexico City, Federal District. This preferential subscription right shall not be applicable in the cases of capital increases derived from the absorption by merger of one or more corporations; the conversion of debentures into shares; the placement of shares acquired by the Corporation that represent its capital stock, pursuant to the terms of Article 56 of the Securities Market Law and these bylaws; the capitalization of the share premiums; undistributed earnings and reserves or other patrimony items; of public offerings of shares pursuant to the terms of the last paragraph of Article 53 of the Securities Market Law, and any other case where the Law allows the non application of the right in question.

A reduction in the variable portion of the capital stock shall be made by proportionately amortizing the shares' series into which the capital stock is divided, by the amortization of complete shares, by reimbursing them to the stockholders at the market value in the Stock Exchange on the day in which the corresponding capital stock reduction is decreed. The stockholders shall have the right to request at the corresponding Stockholders' Meeting, the proportional amortization of the shares in question and, if no agreement is reached for that purpose, the shares to be amortized shall be determined by lottery before a Notary Public or public broker.

After the shares to be amortized have been determined, a notice shall be published in the Federal Official Gazette and in another major newspaper of Mexico City, Federal District, stating the number of shares to be withdrawn from the market and the number of share certificates that consequently have to be cancelled or, as the case may be, exchanged and the credit institution in which the amount reimbursed is deposited, and this deposit shall be available to the stockholders as of the date the notice is published onward, without bearing any interest.

The Corporation may acquire shares representing its capital stock, or the credit titles that represent those shares, without applying the prohibition established in the first paragraph of Article 134 of the General Corporations Law and the Corporation should therefor meet to that effect, the requirements and all other applicable provisions under Article 56 of the Securities Market Law. For the Corporation to be able to acquire its own shares, it shall be necessary for the Ordinary General Stockholders' Meeting to expressly agree, for each fiscal year, the maximum treasury amount to be destined to buy back its own shares or credit titles that represent those shares. The only limitation would be that the sum of the funds to be destined to this end, in no case, may exceed the total balance of the Corporation's net profits, including retained earnings. Assuming that the acquisition is made with a charge to the stockholders' equity, the Corporation may keep its shares, without having to make a capital stock reduction, or rather, if it makes it with a charge to the capital stock, the shares shall become non-subscribed shares that it shall keep at the treasury, without the need to have a Stockholders' Meeting resolution. Its own shares and the credit titles that represent those shares that belong to the Corporation, or as the case may be, the non-subscribed shares issued kept at the treasury, may be placed amongst the investing public, and therefor, it shall not be necessary to have a Stockholders' Meeting resolution or a Board of Directors' resolution. While the shares belong to the Corporation, they may not be represented or voted on the Stockholders' Meetings, nor social or economic rights of any kind may be exercised.

FOURTEENTH. The stockholders of the variable part of the capital stock of the Corporation shall not have the withdrawal rights referred to under Article 220 of the General Corporations Law.

ON THE GENERAL STOCKHOLDERS' MEETINGS

FIFTEENTH. The General Stockholders' Meeting is the supreme body of the Corporation, and all others are subordinate to it.

SIXTEENTH. Stockholders' Meetings shall be Ordinary or Extraordinary and they shall be held at the Corporation's domicile. The Extraordinary Stockholders' Meetings shall be those which shall deal with all matters listed in Article one hundred and eighty-two (182) of the General Corporations Law and the cancellation of the registration of shares issued or to be issued by the Corporation in the National Securities Register or in foreign stock exchanges in which the shares into which the capital stock is divided are registered and all other Stockholders' Meetings shall be Ordinary Stockholders' Meetings. The Meetings shall only discuss items included in the Agenda.

Special Meetings held by Series "L" stockholders for the purpose of electing the two members of the Board of Directors to which they are entitled, must be annually summoned by the Board of Directors, to be held before the General Ordinary Stockholders' Meeting. Special Meetings of Series "L" stockholders held exclusively to appoint the members of the Board of Directors they are entitled to, shall be ruled by the conditions set forth in these Bylaws for General Ordinary Stockholders' Meetings summoned on second call pursuant to the terms under Clause Twenty-Three (23) of these bylaws.

SEVENTEENTH. The Ordinary Stockholders' Meeting shall be held at least once a year, within four (4) months following the end of the corresponding fiscal year, and in addition to items listed in the Agenda, shall deal with matters listed under Article one hundred and eighty-one (181) of the General Corporations Law. The Extraordinary Stockholders' Meeting, in addition to provisions under the General Corporations Law, shall meet as follows: a) To approve the transactions, as the case may be, to be carried out by the Corporation or the corporations controlled by it, during a fiscal year, when they represent 20% (twenty per cent or more of the consolidated assets of the Corporation based on the figures corresponding to the immediately prior quarter to the closing, regardless of the manner in which they are executed, whether simultaneously or successively, but which due to its characteristics may be considered to be a single operation. The stockholders that own the shares with voting rights may vote on those Stockholders' Meetings, including limited or restricted; and b) Comply with any and all other obligations that, as the case may be, are legally required. The Extraordinary Stockholders' Meeting shall meet provided there is an issue it is responsible for, of those under Article one hundred and eighty-two (182) of the General Corporations Law or the cancellation of the registration in the National Securities Register or foreign stock exchanges where the shares into which the capital stock is divided are listed, of shares issued or to be issued by the Corporation.

EIGHTEENTH. The Stockholders' Meetings shall be summoned by the Board of Directors, the Chairman of the Board of Directors, the Co-Chairman of the Board of Directors if this position is filled, or by the Committee or Committees that perform the Corporation's audit functions, or by the Chairman or Chairmen of those committees, or by the secretary of the Board of Directors, or by the judicial authority, as the case may be. The stockholders, owners of those shares with voting rights, even if the rights are limited or restricted, that individually or as a group hold ten per cent (10%) of the Corporation's capital stock shall have the right to request from the Chairman of the Board of Directors or the Committees that carry out the functions of the Corporation and audit practices, at any time, summon a General Stockholders' Meeting without having to apply thereto the percentage mentioned under Article 184 of the General Corporations Law.

In addition, the stockholders who own at least one share with voting rights, shall have the right to request that a Stockholders' Meeting be summoned in the cases and pursuant to the terms foreseen under Article 185 of the General Corporations' Law.

NINETEENTH. The Stockholders' Meetings shall be summoned by a notice published, indistinctly, in the Federal Official Gazette or in one of the major newspapers of Mexico City, Federal District, provided this is done at least fifteen (15) calendar days in advance of the date when the meeting shall be held.

The Stockholders of the Corporation shall have the right to have available to them, at the Corporation's office, the information and the documents related to each one of the items in the corresponding agenda of the Stockholders' Meetings, free of charge and with at least fifteen (15) calendar days in advance to the date of the Stockholders' Meeting, and to prevent that issues under the heading of general or equivalent be discussed at the General Stockholders' Meetings.

TWENTIETH. The summons to the Meetings must state the place, date and hour at which the meeting will be held, the agenda and the signature of the person or persons summoning the Meeting. It shall be understood that if Management is summoning the Meeting, it shall suffice that the Secretary of the Board or its delegate appointed thereto by the Board of Directors itself, sign it and that if the Committee or Committees that carry out the Corporation's corporate and audit functions summon it, it shall suffice to have the Committee Chairman sign it or the delegate appointed thereto by the Committee in question, as the case may be.

TWENTY-FIRST. A Stockholders' Meeting may be held without previous notice, as long as all the shares with voting rights on the matters to be discussed and into which capital stock is divided are represented.

TWENTY-SECOND. The Ordinary Stockholders' Meeting held at first summons shall be considered legally called to order, when at least half of the ordinary shares representing the capital stock are represented, and its resolutions shall be valid if they are passed by majority vote of those present.

TWENTY-THIRD. If the Ordinary Stockholders' Meeting could not be held on the set date, a second notice shall be published stating such circumstance and setting a new date, at least seven (7) calendar days after the date set for the first call, and the meeting shall pass resolutions on the items included in the agenda, by majority vote, regardless of the number of ordinary shares represented therein.

TWENTY FOURTH. The Extraordinary Stockholders' Meetings held at first summons, for the purpose of discussing issues where Series "L" shares have no voting power, shall be considered legally called to order if at least three quarters of the common shares with voting power on the issues to be debated, of those into which the capital stock is divided, is represented and their resolutions shall be passed if adopted by at least the majority of common shares with voting rights, of the total shares into which the capital stock is divided.

The Extraordinary Stockholders' Meetings summoned to discuss any of the issues on which Series "L" shares are entitled to vote, shall be considered legally called to order if, at least, three fourths (3/4) of the capital stock are represented and their resolutions shall be adopted by the vote of the shares representing the majority of said capital stock.

In Extraordinary Stockholders' Meetings subsequently summoned to resolve issues on which Series "L" shares have no voting rights, shall be considered legally called to order if, at least, the majority of the common shares with voting rights on the issues for which it was summoned is represented, and their resolutions shall be valid if adopted at least by the number of common shares representing the majority capital stock with voting rights on the issues for which it was summoned.

In subsequent summons for Extraordinary Stockholders' Meetings, called to solve issues in which the Series "L" shares have voting rights, these shall be legally called to order if at least the majority of the capital stock is represented and their resolutions shall be valid if adopted at least by the number of shares representing the aforementioned number of shares into which the capital stock is divided.

For the resolutions adopted at the Extraordinary Stockholders' Meetings held as a result of first or subsequent summons to discuss any issue in which Series "L" shares have voting rights to be legally valid, besides all other requirements established in the paragraphs herein above, it shall be necessary that they be adopted by the majority of the common Series "AA" and "A" shares into which the capital stock is divided.

For Extraordinary and also for Special Stockholders' Meetings, if the Stockholders' Meeting cannot be held on the day set therefor, a second summons shall be made pursuant to the terms and conditions established in Clause Twenty third (23) of these Bylaws.

Pursuant to the terms and conditions under the last paragraph of Article 54 of the Securities Market Law, the shares with limited or restricted vote will only be counted to legally hold the Stockholders' Meetings to which their holders should be summoned in order to exercise their voting rights.

The stockholders with voting rights, even if the rights are limited or restricted, and individually or jointly hold at least 20% (twenty per cent) of the capital stock, may legally challenge the resolutions of the General Stockholders' Meetings, on which they have voting rights, and the percentage referred to under Article 201 of the General Corporations Law shall not be applicable. Except for the percentage mentioned herein above, in all cases the requirements under Articles 201 and 202 of the General Corporations Law shall be met in order to exercise the opposition right referred to herein above.

TWENTY-FIFTH. For the stockholders to be entitled to attend the Meetings and to vote thereat, they must deposit their share certificates or provisional certificates, as the case may be, with the Secretary of the Corporation, at least one (1) day prior to the Meeting and obtain the necessary admission card. They may also deposit their share certificates at a Mexican or foreign credit institution or at a Mexican brokerage house and, in this event, to obtain the admission card, they must submit to the Secretary of the Corporation a certificate from such institution evidencing the deposit of the share certificates and the obligation of the credit institution, brokerage house, or deposit institution to keep the certificates on deposit until the Board of Directors Secretary informs them that the Meeting has been

adjourned. The Secretary of the Corporation shall give the stockholders an admission card stating the name of the shareholder, the number of shares deposited and the number of votes to which he or she is entitled by virtue of such shares.

TWENTY-SIXTH. The stockholders may be represented at the Stockholders' Meetings by attorneys-in-fact appointed through a proxy letter, and it is understood that Directors of the Board of Directors or the Chief Executive Officer of the Corporation may not exercise said orders.

In addition to the above, the shareholders may be represented at the Stockholders' Meetings, by individuals that accredit their legal status with powers of attorney forms prepared by the Corporation and that it makes available to them through the securities market intermediaries or at the Corporation itself, at least fifteen (15) calendar days in advance to the Stockholders' Meeting. These forms shall at least meet the following requirements: a) State in a prominent manner the name of the Corporation, and also the respective Agenda, and b) Have space for the instructions given by the grantor in order to exercise the power of attorney.

The Secretary of the Board of Directors of the Corporation shall be bound to ascertain compliance with the provisions stated herein above complied with and to report the results thereof to the Stockholders' Meeting, and this shall be stated in the corresponding minutes.

The directors of the Board of Directors, the Chief Executive Officer and the individual appointed by the firm that provides the External Audit services, may attend the Stockholders' Meetings of the Corporation.

TWENTY-SEVENTH. The Stockholders' Meeting shall be chaired by the Chairman or Co-Chairman of the Board of Directors and, in their absence, indistinctly by one of the Vice-Chairmen and in the absence of both, by any of the Mexican Directors present and, in their absence, by the person appointed by the stockholders present or represented at the Stockholders' Meeting. The Secretary of the Board of Directors or the Alternate Secretary shall act as such and, in their absence, the person appointed by the acting Chairman.

TWENTY-EIGHTH. At the beginning of the Stockholders' Meeting, whomever chairs it shall appoint two tellers to count the shares represented thereat. These tellers shall prepare a roster with the names of the stockholders attending or represented and the number of the shares deposited by each of them in order to attend the Meeting.

TWENTY-NINTH. If at a legally convened Meeting there is not sufficient time to discuss all the matters for which it was called, it may be adjourned and continued during the following days without the need of a new notice, provided it is so resolved by the number of votes required to validly pass resolutions at that meeting.

Resolutions passed at the adjourned meeting shall be valid if approved by the number of votes required by these Bylaws for such purposes.

The stockholders who own the shares with voting rights, even if limited or restricted, and which individually or jointly hold 10% (ten per cent) of the capital stock of the Corporation, shall have the right to request that the voting on any issue on which they feel they are not well informed, be postponed only once, for three calendar days and without the need to summon another meeting; the percentage applicable mentioned under Article 199 of the General Corporations' Law shall not be applicable thereto.

THIRTIETH. Minutes of the Meeting shall be drawn up after each Stockholders' Meeting, and they shall record the resolutions adopted and shall be posted in the corresponding minutes book which shall be signed at least by the Chairman and by the Secretary of the Stockholders' Meeting, for all the corresponding purposes.

ON THE CORPORATION'S MANAGEMENT

THIRTY FIRST. The Corporation shall entrust its management to a Board of Directors and a Chief Executive Officer who will perform their corresponding legal and statutory functions.

The Board of Directors of the Corporation shall be integrated by a maximum of 21 (twenty one) Directors, as may be determined by the Ordinary Stockholders' Meeting, of which, at least 25% (twenty five per cent) shall be independent pursuant to provisions under Articles 24 and 26 of the Securities Market Law.

The selection and qualification of Independent Directors shall comply with Article 26 of the Securities Market Law. The Independent Directors that during their tenure stop having those qualifications, shall inform the Board of Directors no later than the following Board Meeting.

For each Director appointed an Alternate Director may be appointed, and it is understood that the Alternate Directors of the Independent Directors shall have the same qualifications. The majority of the members and alternate members of the Board of Directors shall, at all times, be Mexican nationals and be appointed by Mexican stockholders. The directors and alternate directors shall be appointed by majority vote of the common "AA" and "A" Series shares into which the capital stock is divided and two directors and the remaining alternate directors, by majority vote of the "L" Series shares of the capital stock.

The members of the Board of Directors need not be stockholders and shall meet the requirements provided for under the Securities Market Law. Pursuant to the terms of Section I of Article 50 of the Securities Market Law, the stockholders of the shares with voting rights, including limited or restricted, which individually or jointly own ten per cent (10%) of the capital stock of the Corporation shall have the right to appoint and revoke in a General Stockholders' Meeting a director of the Board of Directors.

The stockholder or stockholders that exercise the right to appoint a director of the Board of Directors pursuant to the terms set in the paragraph herein above, may no longer exercise their voting right to appoint Directors and their corresponding alternate directors that have to be appointed by the majority; and majority shall only have the right to appoint the number of missing Directors that it has the right to appoint. The appointment of a Director appointed by the minority, may only be revoked by the other stockholders when in turn the appointment of all the other Directors is revoked, in which case, the directors revoked may not be appointed as such during the following twelve months as of the date in which they were revoked.

The Directors shall be appointed for one year and shall continue to perform their duties, even after the term for which they have been appointed has ended, or because they have resigned to their position, up to a thirty (30) calendar day term, if the substitute has not yet been appointed or if the substitute has not yet taken office, and they shall not be bound to provisions under Article 154 of the General Corporations Law.

Directors may be reelected and shall receive the remuneration set by the General Stockholders' Meeting.

The Board of Directors may appoint provisional Directors, without the intervention of the Stockholders' Meeting, when one of the assumptions set in the paragraph herein above or in Article 155 of the General Corporations Law is updated. The Corporation's Stockholders' Meeting shall ratify those appointments or shall appoint the alternate Directors in the Stockholders' Meeting following that event, respecting at all times the minorities' rights under the provisions of Article 50, Section I of the Securities Market Law.

THIRTY-SECOND. Neither the members of the Board of Directors nor the Alternate Directors, nor the members of the Executive Committee or any other Committee members, nor the administrators and managers, as the case may be, shall submit a bond to guarantee their compliance with the inherent responsibilities in performing their duties, except if the entity that appointed them establishes this obligation.

The stockholders that individually or jointly own voting rights shares, including limited or restricted, that represent five per cent (5%) or more of the capital stock, may exercise the liability option set under Article 38 of the Securities Market Law, derived from the acts referred to under Article 38 of the Securities Market Law, derived from the acts referred to under Chapter II of Title II, of the aforementioned law.

Pursuant to the terms of the Securities Market Law, the liability lies in indemnifying for damages and losses caused to the Corporation or to the corporations controlled by it or on which it has significant influence, due to lack of diligence of the Directors of the Board of Directors, of the Secretary or Alternate Secretary of that entity of the Corporation derived from the acts carried out or the decisions adopted by the Board of Directors or of those that are not made because this organism cannot meet legally and in general terms due to lack of diligence, in no event, may exceed in one or more occasions and for each fiscal year, the amount equivalent to the total net fees that those Board directors and officers have received as such from the Corporation, and, as the case may be, from the corporations that it controls or those corporations in which it has significant influence, in the twelve months before the fault in question. It is understood that the above refers to the limitation to the indemnity amount contained in this paragraph, and it shall not be applicable in the case of fraud or bad faith actions, or of illegal acts pursuant to the Securities Market Law or other laws.

In any event the Corporation shall indemnify and hold harmless the Directors, the Secretary, the Alternate Secretary, of that Board of Directors and the relevant executives, of any and all liabilities they incur before third parties in the due performance of their function and shall cover the indemnity amount for the damages caused to third parties, by their actions, except for fraud or acts of bad faith, or illegal acts pursuant to the Securities Market Law and other laws.

THIRTY THIRD. The Board of Directors shall meet at least four times during each fiscal year in Mexico City or in another place in the Mexican Republic determined therefor, and on the dates set for that purpose by the Board of Directors. The Chairman or Co-Chairman of the Board, or its Secretary or Alternate Secretary of that collegiate body shall summon the Directors of the Board to said meetings.

In addition to the regular meetings mentioned herein above, the Board may hold extraordinary meetings. In any event the Chairman of the Board of Directors or the Chairman or Chairmen of the Committee or Committees that carry out the Corporation's corporate and audit functions, and also 25% of the Corporation's Directors may call a Board Meeting and include in the items under the Agenda those issues they deem pertinent. This summons shall be made to its members using any written mean at least five (5) days in advance, and it can be done through the Secretary or the Alternate Secretary of the Board of Directors.

The Corporation's external auditor may be summoned to the Board of Directors' Meetings, as a guest with voice by no vote and he shall abstain from being present during those items in the Agenda where he could have a conflict of interest or may compromise his independence.

The Board of Directors' Meetings shall be chaired, indistinctly, by the Chairman or the Co-Chairman of the Board of Directors, and if they are absent, indistinctly by one of the Vice-Chairmen, and if they are absent by any of the Mexican Directors appointed by the Directors attending the meeting in question. The Secretary and the Alternate Secretary of the Board shall act as such and if they are absent, the person appointed by the Directors.

The summons to the Board of Directors' meetings shall include the agenda the meeting shall strictly follow. The Board of Directors shall act validly provided the majority of its members are present and provided that the majority of attendees are Mexican, and their resolutions shall be valid if adopted by majority of votes of the Directors attending the meeting. In case of a tie, the Chairman of the Board of Directors shall have a deciding vote.

It is expressly established that one of the powers of the Board of Directors is to contract any and all kinds of debt, in any market in Mexico or abroad.

In order to solve any issues relating to items (1) through (12) of Clause Fortieth (40th), the Board of Directors shall previously consult with the Executive Committee. Therefor, the Executive Committee shall be bound to send its recommendations in a period not in excess of ten (10) calendar days counted from the day the Board of Directors, the Chairman or co-Chairman of the Board of Directors or the CEO of the Corporation made the requirement. If the Executive Committee does not send its recommendations within the term established or if the members of the Committee do not reach an agreement in a properly called Committee meeting, then the Board of Directors shall settle all issues, even if there is no recommendation from the Executive Committee.

Notwithstanding the above, if the majority of the members of the Board of Directors or a member of one of the Corporation entities, including the CEO, determines in good faith that the matter being reviewed by the Executive Committee cannot wait to be reviewed and studied until the next meeting because time is of essence, then this specific issue may be resolved by the Board of Directors and/or a member of one of the Corporation's entities including the CEO, without the Executive Committee's recommendation.

THIRTY-FOURTH. After every Board of Directors' meeting, the corresponding minutes of said meeting shall be drawn up, stating the resolutions adopted. Those minutes shall be recorded in the corresponding minute book and shall be signed by the Chairman and Secretary of the meeting in question, for all corresponding purposes.

In accordance with the last paragraph of Article 143 of the General Corporations Law, the Board of Directors may validly adopt resolutions and it is not necessary for its directors to meet personally in an official meeting; the Executive Committee can act likewise. The resolutions adopted off Meetings, shall be approved, in all cases, by the favorable vote of all the members of that Board or, in case of temporary or definitive absence or disability of one director, with the favorable vote of the corresponding alternate member, in accordance with the following provisions:

I. The Chairman or the Co-Chairman or one of the Vice-Chairmen, of their own initiative or at the request of any two directors of the Board of Directors or the Executive Committee, shall inform all the corresponding members, or as the case may be, the corresponding alternate members of the entity in question, verbally or in writing and using the way they may deem convenient, of the resolutions to be adopted off the meeting and reasons that justify this procedure. Also, the Chairman or Co-Chairman shall provide all of them, at their request, all the documents and clarifications required thereto. The Chairman or Co-Chairman or any Vice-Chairman may request the help of one or more members of the Board of Directors or the Executive Committee selected by him, or of the Secretary or the Alternate Secretary in order to make the communications mentioned herein above.

II. If all the Board of Directors or the Executive Committee members, or as the case may be, the Alternate members whose vote is required, verbally express to the Chairman, the co-Chairman or the members assisting him, their consent with the agreements or resolutions submitted to their consideration, shall confirm their consent in writing no later than two (2) working days after the date in which they stated the above, in the way established in the following Section III. The written confirmation shall be sent to the Chairman or the Co-Chairman or to the Secretary or the Alternate Secretary by mail, telex, telefax, telegram or courier, or by any other means that guarantees that it be received no later than two working days later.

III. For the purposes under Section II above, the Chairman or Co-Chairman shall send in writing to each one of the members of the entity in question, whether directly or through the persons assisting them, an official draft of the minutes of the agreements or resolutions to be adopted off-Meeting and all other documents deemed necessary, so that, as the case may be, after the required amendments are made, the draft of the minutes in question is returned to the Chairman or Co-chairman or the Secretary or Alternate Secretary, duly signed in conformity at the end of the document, by each one of the Board of Directors or Executive Committee Members, as the case may be.

IV. Once the Chairman or Co-chairman, the Secretary or the Alternate Secretary receive confirmations in writing from all the members of the entity in question, they shall immediately register the approved minutes in the corresponding Minute Book, which shall include all the resolutions adopted and which shall be legalized by the signature of the Chairman and the Secretary. The date of the aforementioned minutes shall be the date in which verbal or written consent was obtained from all the members in question, even if at that time all the written confirmations have not yet been received, and which once received shall be integrated into a file to be opened and kept therefor by the Corporation.

ON THE BOARD OF DIRECTORS POWERS

THIRTY-FIFTH. In the first meeting held after the Stockholders' Meeting that appointed its members is held, or in any other meeting held, shall appoint a Chairman from its members, and shall also appoint a Secretary; It may appoint, if deemed pertinent, a Co-Chairman, one or several Vice-Chairmen, a Treasurer an Alternate Treasurer and an Alternate Secretary and also other members of the Board of Directors that this body deems necessary, including any honorary or for life appointments, assuming the Chairman, and as the case may be, the Co-Chairman and the Vice-Chairman or Vice-Chairmen should be members of the Board of Directors and the Secretary, the Treasurer, the Alternate Secretary and the Alternate Treasurer are not part of that body. The members of the Board of Directors will hold office until their successors have been elected and take office and perform the functions inherent to the corresponding positions. Any officer may be removed from office without stating the cause via resolution of the Board of Directors. The Co-Chairman, if any, may cover temporary or definitive absence of the Chairman, and if there is no Co-Chairman, they shall indistinctly be covered by one of the Vice-Chairmen if any. All the above notwithstanding that the Board of Directors may appoint at any time, from one of the Directors appointed by at least the majority of the common shares, the Mexican Director to temporarily or definitively substitute the Chairman. If a Co-Chairman is appointed and is definitively absent from the meetings, the person who at the proper time and manner is appointed by the Board of Directors shall fill the position. Temporary or definitive absence of the Treasurer and Secretary will be covered, respectively, by the Alternate Treasurer and Alternate Secretary, if any, and if there are none, or if they are absent by the persons appointed by the Board of Directors. The Board may also create committees or special commissions additional to those contemplated under the Securities Market Law and these Bylaws, setting their powers and their obligations and remunerations which as the case may be, are received by their members. The Directors, Alternate Directors, Chairman and Co-Chairmen of the Board of Directors, the Vice-Chairmen, the Treasurer, the Secretary, the Alternate Secretary and all other officers of this body which may have been appointed, as the case may be, by the mere fact of their appointment shall not have the power to give a testimony in a civil action, and therefore they shall be impaired to absolve positions in representation of the Corporation in any and all trials or proceedings of which it is a part. This power shall exclusively correspond to the attorneys-in- fact of the Corporation to whom this power was expressly given.

Pursuant to the terms under Article 28 of the Securities Market Law, the Board of Directors shall be in charge of the following matters:

I. Establish the general strategies to manage the Corporation's business and that of the corporations it controls.

II. Oversee the management and steering of the Corporation and the corporations controlled by it, considering the relevant of the latter in the financial, administrative and legal situation of the Corporation and also the performance of the relevant executives.

III. Approve, with the prior opinion of the corresponding competent Committee:

a) The policies and guidelines for the use and use of the goods forming the Corporation's patrimony and also that of the corporations it controls by the related parties.

b) The operations, individually with each of the related parties, it intends to carry out with the Corporation or corporations it controls.

The operations herein below shall not require approval of the Board of Directors, provided they comply with the policies and guidelines approved therefor by the Board of Directors:

1. The operations that based on the corresponding amount, lack relevance for the Corporation or the corporations it controls.

2. The operations carried out between the Corporation and the corporations it controls or on which it has significant influence or amongst any of them, provided that:

i) They are normal or usual for the business.

ii) Are considered to have been made at market prices or supported on valuations made by expert external agents.

3. The operations made with employees, provided they are carried out under the same conditions, as would be done with any other customer or as a result of fringe benefits of a general nature.

c) The transactions that are simultaneously or consecutively carried out, or that due to their characteristics may be considered to be a single operation or that are deemed to be a single operation and that can be carried out by the Corporation or corporations it controls, during a fiscal year, when they are unusual or non recurrent, or its amount represents, based on the corresponding figures as of the closing of the immediately prior quarter in any of the following assumptions:

1. The acquisition or transfer of goods with equal or higher than 5% (five per cent) value of the consolidated assets of the Corporation.

2. The granting of security or assumption of liabilities for a total amount equal or higher than 5% (five per cent) of the consolidated assets of the Corporation.

Investments in debt securities or in banking instruments are exempt, provided they are carried out in accordance with the corresponding policies approved by the Board of Directors.

d) The appointment, election and, as the case may be, dismissal of the Chief Executive Officer of the Corporation and its integral salary, as well as the policies for the appointment and integral salary of the other relevant officers.

e) The policies to grant mutual, loans or any kind of credits or collaterals to the related parties.

f) The waivers for a Board of Directors, relevant officer or person with command power, to benefit from the business opportunities himself or by third parties, which correspond to the Corporation or corporations controlled by it or on which it has significant influence. The waivers for transactions for which the amount is less than the one set in paragraph c) of this Clause, may be delegated in one of the Corporation's Committees in charge of the audit or Corporation's functions.

g) The guidelines on the internal control and internal audit of the Corporation and the corporations it controls.

h) The Corporation's accounting policies, adjusting to the accounting principles recognized or acknowledge by the National Banking and Securities Commission by general provisions.

i) The Corporation's financial statements.

j) The contracting of the corporation that provides the External Audit services, and as the case may be, of additional or supplementary services to External Audit services.

If the decisions of the Board of Directors are not in agreement with the opinion of the corresponding Committee, this Committee should order the Chief Executive Officer to disclose this circumstance to the investing public, through the stock exchange in which the shares of the Corporation or the credit titles that represent them are traded, abiding by the terms and conditions this stock exchange sets in its internal regulations.

IV. Submit the following to the General Stockholders' Meeting held due to the closing of the fiscal year:

a) The reports referred to under Article 43 of the Securities Market Law.

b) The report prepared by the Chief Executive Office pursuant to provisions under Article 44, Section XI of the aforementioned Securities Market Law, together with the External Auditor's opinion.

c) The Board of Directors' opinion on the content of the Chief Executive Officer's report, mentioned in the paragraph herein above.

d) The report to which Article 172, paragraph b) of the General Corporations Law refers including the main accounting and information policies and criteria followed to prepare the financial information.

e) The report on operations and activities in which it participated pursuant to provisions under the Securities Market Law.

V. Follow-up on the main risks to which the Corporation and the corporations it controls are exposed, identifying them based on the information presented by the Committees, the Chief Executive Officer and the firm that provides the External Audit Services, and also the accounting, internal control and internal audit, recording, filing of information systems which can be carried out through the Committee exercising these audit functions.

VI. Approve the information and communication policies with the stockholders and the market and also with Directors and relevant directors, in order to comply with provisions under the Securities Market Law.

VII. Determine the corresponding actions in order to remedy any irregularities it knows about and implement the corresponding corrective measures.

VIII. Grant powers to the Chief Executive Officer and set the terms and conditions he shall comply with in exercising the powers on acts of ownership.

IX. Order the Chief Executive Officer to disclose to the public the relevant events he knows about. The above, notwithstanding the Chief Executive Officer's obligation referred to in Article 44, Section V of the Securities Market Law.

X. All others established by the Securities Market Law or foreseen in these bylaws or those that are assigned to it by the Corporation's General Stockholders' Meeting.

The Board of Directors shall be responsible for overseeing compliance with the resolutions adopted at the Stockholders' Meetings, and it may do so through the Committee exercising the audit functions.

THIRTY SIXTH. The Board of Directors shall have the broadest powers for the good management of the Corporation's businesses, and a very broad power for suits and collections, to manage assets and to exercise acts of ownership, without limitations, namely, with all the general and special powers that require a special clause in accordance with the law, pursuant to the first three (3) paragraphs of Article two thousand five hundred and fifty four of the Federal District Civil Code, and the corresponding Articles of the Federal Civil Code and of the corresponding Civil Codes of all the States in the Mexican Republic; including the powers listed in Article two thousand five hundred and eighty seven of the same ruling and the corresponding Articles. Without limitations, the following powers are expressly given to it:

- I. Represent the Corporation before all kinds of Federal, State or Local authorities; represent the Corporation before all kinds of national or foreign individuals or corporations; represent the Corporation before Federal or Local Conciliation Boards and Federal or Local Conciliation and Arbitrage Boards, with express powers for all issues under Sections II and III of Article 692 of the Federal Labor Law, in accordance with Articles 786 and 876 of the same Law; and therefore it is expressly empowered to absolve and articulate positions in the name and on behalf of the Corporation, conciliate, agree upon, establish conventions and file claims and lawsuits, file and drop all kinds of trials and remedies, even the "amparo" (constitutional relief) trial, and represent the Corporation before all kinds of judicial, administrative or any other authority that may engage in hearing labor disputes; file "amparo" lawsuits and, as the case may be, drop the cases, file claims and as the case may be, grant pardon; file claims and become assistants of the Attorney's Office, relinquish, agree upon, bind in arbitration, absolve and articulate positions; recuse and receive payments.
- II. Grant, subscribe, endorse, protest and guarantee all kinds of credit instruments.
- III. Appoint the officers, employees, managers and proxies of the Corporation as determined by the Board of Directors, to whom it shall assign their duties, obligations and remuneration.
- IV. Establish or close offices, branch offices or agencies.
- V. Acquire shares, equity interests and securities issued by third parties and exercise preferential rights on those shares or equity interests of other corporations.
- VI. Enter, amend, terminate and rescind contracts.

- VII. in the Corporation's name accept mandates from Mexican or foreign individuals or corporations.
- VIII. Open bank accounts and withdraw deposits from them and appoint the persons authorized to use the corporate signature, to deposit in those bank accounts and withdraw deposits from them, pursuant to limitations set by the Board of Directors.
- IX. Create real and property guarantees and fiduciary forfeiture to guarantee corporate liabilities and become a joint and several debtor and guarantor and in general terms, bound to comply with third parties' liabilities and establish real property guarantees and fiduciary forfeiture to assure compliance with these liabilities.
- X. Award, substitute, and delegate general and special powers for all acts of ownership, which shall be granted to be exercised jointly by at least two individuals and award, substitute, and delegate general and special powers for acts of administration and for claims and collections, to be exercised jointly or separately, as determined by the Board of Directors, and revoke powers; provided the Board of Directors is not entirely substituted in its functions; and the Board may in turn entirely or partially transmit to the third parties to whom it grants them, the powers to award, substitute, and delegate the powers included in this paragraph, under the form and terms it may deem convenient, provided that this does not entirely substitute the Board in its functions.
- XI. Grant powers to award, subscribe, endorse and guarantee all kinds of credit instruments, with the understanding that the power to endorse credit instruments shall always be granted in order to be exercised jointly by at least two persons.
- XII. Summon Stockholders' Meetings.
- XIII. Enter any and all legal acts and adopt any and all resolutions that may be necessary or convenient to attain the social purpose.

ON THE CHAIRMAN, CO-CHAIRMAN AND VICE-CHAIRMEN

THIRTY SEVENTH. The Chairman of the Board of Directors shall be appointed from amongst the Mexican Directors appointed by at least the majority of the common shares, and will enjoy the powers granted to him by the Board of Directors or by the Stockholders' Meeting of the Corporation, the Bylaws and the Law, and without limitations, will chair the Stockholders' and Board of Directors' Meetings, shall be the Board of Directors' representative, and shall sign jointly at least with the Secretary the Stockholders' Meetings and Board of Directors minutes he chairs. The Chairman of the Board will have a deciding vote when there is a tie. The Co-Chairman shall be appointed from amongst the Mexican Directors appointed at least by the majority of the common shares, and shall have the same powers as the Chairman, except for those powers that the Board of Directors or the Corporation's Stockholders' Meeting, these Bylaws or the Law, reserve for the Chairman; and in the event of temporary or definitive absence of the Chairman of the Board shall substitute him, pursuant to the terms established under Clause Thirty Fifth of these bylaws. The Vice-Chairman or Vice-Chairmen shall be appointed from amongst the Mexican Directors appointed by at least the majority of the common shares. If the Chairman of the Board is temporarily or definitively absent, and if no Co-Chairman has been appointed, the functions of the former shall be performed with the same powers, indistinctly by one of the Vice-Chairmen in the order and pursuant to the terms established in these Bylaws.

ON THE SECRETARY OF THE BOARD OF DIRECTORS AND THE TREASURER

THIRTY EIGHTH. The Secretary shall have the powers given to him by the Board of Directors or the Corporation's Stockholders' Meeting, these Bylaws and the Law and without limitations, he will ensure that the Minute Books are well done, in one of which all the Stockholders' Meetings minutes shall be recorded and in the other one the Board of Directors' Meetings' minutes, and shall sign together with at least the Chairman, the corresponding Stockholders' Meetings' minutes and the Board of Directors Meetings' minutes in which he acted as Secretary. If he is absent, the Alternate Secretary, if any, shall take his place, and in his absence the person appointed by the Chairman in office.

The Treasurer shall have the attributions given to him by the Board of Directors and the Alternate Treasurer may substitute him in case he is absent, and if the Alternate Treasurer is absent, the person appointed by the Board of Directors.

ON THE CHIEF EXECUTIVE OFFICER

THIRTY NINE. The management, leading and execution of the business function of the Corporation and the corporations it controls, shall be the Chief Executive Officer's responsibilities, pursuant to Article 44 of the Securities Market Law, abiding therefor, to the strategies, policies and guidelines approved by the Board of Directors.

The Board of Directors shall grant the Chief Executive Officer the necessary or convenient powers to comply with his functions, and shall set the terms and conditions to which he will abide.

Notwithstanding what has been previously mentioned, the Chief Executive Officer shall:

- I. Submit to the approval of the Board of Directors the business strategies of the Corporation and corporations it controls, based on the information provided by the latter.
- II. Comply with the resolutions of the Stockholders' and Board of Directors' Meetings, pursuant to the instructions that, as the case may be, are given by the Stockholders' Meetings and the aforementioned Board of Directors.
- III. Propose to the Committee to carry out the audit functions, the internal control and internal audit systems' guidelines and the corporations it controls, and also to execute the guidelines approved therefor by the aforementioned Corporation's Board of Directors.
- IV. Subscribe the Corporation's relevant information, together with the relevant officers in charge of preparing them, in their area of competence.
- V. Disclose the relevant information and events that have to be disclosed to the public, abiding therefor to provisions under the Securities Market Law.
- VI. Comply with the provisions on entering operations of acquisition and placement of the Corporation's own shares.
- VII. Exercise personally or through an empowered delegate, in his area of competence or in accordance with instructions received from the Board of Directors, the corrective actions and of responsibility that may apply.
- VIII. Verify that the capital contributions made by the partners are carried out.
- IX. Comply with the legal and statutory requirements set on the dividends paid to the Stockholders.
- X. Guarantee that the accounting, recording, filing and information systems of the Corporation are maintained.
- XI. Prepare and present to the Board of Directors the report referred to in Article 172 of the General Corporations Law, except for provisions under paragraph b) of the same Article.
- XII. Set the mechanisms and internal controls that allow verification that the acts and operation of the Corporation and corporations controlled by it, have complied with the applicable rulings and also follow up on the results of those mechanisms and internal control and take the necessary measures, as the case may be.
- XIII. Exercise acts of responsibility referred to by the Securities Market Law, and against related or third parties that supposedly could have damaged the Corporations or the corporations it controls or those in which it has significant influence, except if by decision of the Corporation's Board of Directors and prior opinion of the Committee in charge of the audit functions, the damage caused is not relevant.
- XIV. Exercise the other functions set by the Securities Market Law or foreseen in these Bylaws or entrusted by the Stockholders' Meetings or the Corporation's Board of Directors in accordance with the functions assigned to it by that law.

ON THE EXECUTIVE COMMITTEE

FORTIETH. The Stockholders' Meeting, through the favorable vote of the majority of the common shares representing the capital stock, shall appoint from amongst the members of the Board of Directors, the Executive Committee which shall be integrated by the number of members, and as the case may be, alternate members determined by the Stockholders' Meeting. The majority of the members of the Executive Committee shall be of Mexican nationality and shall be appointed by the Mexican stockholders by the favorable vote of the majority of the common shares representing the capital stock.

The Executive Committee is a delegate organ of the Board of Directors and shall have the powers established in Clause thirty-sixth of these Bylaws, with the exception of the one included in paragraph XII of that Clause, in that the powers granted to the Executive Committee shall not include those solely reserved by the Law or the Bylaws to another body in the Corporation. The Executive Committee may not delegate all its powers to one or more proxies or delegates. Subject to these bylaws, the Executive Committee shall specifically examine initially and approve, or as the case may be, submit to the Board of Directors for its approval, recommendations on the following issues:

1. All amendments, changes or other modifications or integral reform to these Bylaws;

2. The issuance, authorization, cancellation, alteration, modification, reclassification, amortization or any change to or related to any security representing the capital stock of the Corporation or any of its Subsidiaries;
3. The sale or other dispositions (except for inventories, obsolete assets or transfers in the ordinary course of business of the Corporation or of any subsidiary) of, or levying a lien (except for the liens resulting from the law) in, all assets of the Corporation or its Subsidiaries with a value in excess of the equivalent in Mexican pesos of \$300 (three hundred) million U. S. Dollars, currency of legal tender in the United States of America;
4. To begin a new line of business, or purchase an equity interest in another person or corporation by the Corporation, or its Subsidiaries for or in excess of the equivalent in Mexican pesos of \$100 (one hundred) million U.S. Dollars, currency of legal tender in the United States of America;
5. Discussion of the capital expenditures annual budget;
6. Revision and consideration of all transactions related to additional net debt, loans or credits obtained by the Corporation or its subsidiaries, new, in excess of the equivalent in Mexican pesos of \$300 (three hundred) million U. S. Dollars, currency of legal tender in the United States of America or a new rollover credit facility for the Corporation or any of its Subsidiaries, allowing an aggregate loan amount in one single occasion in excess of the equivalent in Mexican pesos of \$300 (three hundred) million U. S. Dollars, currency of legal tender in the United States of America;
7. Discussion of the business plan or the annual budget;
8. Revision and consideration of the Corporation's Chief Executive Officer;
9. Merger, consolidation or any other similar transaction that affects the Corporation or its Subsidiaries;
10. Enter contracts or transactions, in or for the direct benefit of a Series "AA" stockholder or its affiliates, even if that transaction is not contemplated within the policies adopted by the Executive Committee;
11. Discussion of the Corporation's policy on dividends; and
12. The assignment of important trade names and significant brands or the good will associated to them.

The Board of Directors or the Executive Committee may, indistinctly, solve the issues herein above.

The Executive Committee shall validly operate provided the majority of its members concur and provided the majority of members appointed by Mexican stockholders are present, and their resolutions shall be valid if adopted by majority of votes of those attending the meeting. The members of the Executive Committee shall make their best effort to reach common positions in the issues submitted to them.

In case of a tie, the Chairman of the Committee shall have a deciding vote.

The Executive Committee shall meet as frequently as needed in order to be permanently involved in the issues of its competence. In any event, the Committee shall meet when it is deemed necessary but at least before each Board of Directors Meeting. Its members shall be summoned at least five (5) calendar days in advance (through telefax and courier) and it is understood that a shorter period of time may be used or this requirement may be omitted if approved by all the Executive Committee members. The summons shall contain, amongst other things, an agenda stating in detail all the issues to be discussed at the meeting and shall be accompanied by copies of the relevant documents to be discussed at the Meeting. If an Executive Committee Meeting is called and an issue not included in the summons or on which no relevant documents were delivered to the members of the Executive Committee is discussed and no unanimous resolution is reached, then the discussion of the item shall be deferred to the following regular Executive Committee Meeting, or until it is unanimously resolved or the requirements mentioned are corrected.

Notwithstanding the above, if the majority of the Executive Committee members in good faith determine that the subject to be reviewed by the Executive Committee cannot wait to be reviewed and considered until the next regular Executive Committee Meeting, because time is essential, then this issue in particular may be solved by simple majority of those present and shall be discussed with all the Committee members before a resolution is adopted and the perspective of each Committee member shall be reflected in the minutes of the following regular Committee Meeting.

The Executive Committee shall create its own work regulations, based on these Bylaws, and it shall be submitted for approval to the Board of Directors.

The Executive Committee shall inform the Board of Directors how it has exercised its powers, in the meetings it holds.

**ON THE SURVEILLANCE OF THE CORPORATION AND OF THE COMMITTEE
OR COMMITTEES WITH CORPORATE AND AUDIT FUNCTIONS.**

FORTY-FIRST. The management, steering and execution of the Corporation's functions and for corporations it controls, considering how relevant the latter may be in the financial, administrative and legal situation of the former, shall be carried by the Board of Directors through the Committees it creates to carry out the activities on Corporate and audit practice issues, and also by the firm doing the External Audit of the Corporation, each one within the area of its own competence, pursuant to provisions under the Securities Market Law.

Pursuant to provisions under Article 41 of the Securities Market Law, the Corporation is not bound to provisions under Article 91, Section V, of the General Corporations Law, nor by Articles 164 through 171 and 172, last paragraph, 173 and 176 of the latter Law, and therefore, in a general manner, the Corporation shall not have one or several Statutory Examiners, nor shall the legal provisions on the appointment or performance of the duties shall be applicable.

FORTY-SECOND. In performing the functions assigned to it by the Securities Market Law, the Board of Directors will have the assistance of one or more Committees established thereto. The Committee or Committees that perform the corporate or audit functions, referred to under the Securities Market Law, shall be exclusively formed by Independent Members and a minimum of three members appointed by the Board of Directors, upon that body Chairman's proposal, and the provisions under Article 25 of the Securities Market Law will be applicable to its formation.

When due to any cause the minimum number of the Committee members that perform the audit functions is missing and the Board of Directors has not appointed provisional members pursuant to provisions under Article 24 of the Securities Market Law, any stockholder may request the Chairman of the aforementioned Board to summon, within three (3) calendar days, a General Stockholders' Meeting for it to make the corresponding appointment. If the summons is not made in the period mentioned, any stockholder may go to the judicial authorities corresponding to the Corporation's domicile, so that the Corporation can make the summons. If the Meeting does not meet or if it meets and it does not make the appointment, the judicial authority of the Corporation's domicile, at the request and proposal of any stockholder, shall appoint the corresponding members, and they shall be in office until the General Stockholders' Meeting makes the definitive appointment.

The Board of Directors, in performing its oversight activities, shall be assisted by the Committee or Committees in charge of developing its (their) activities on corporate and audit matters as foreseen by Article 42 of the Securities Market Law. The Committee or Committees mentioned may also exercise the other activities on those matters established by the Law, or foreseen in these Bylaws or entrusted to it (them) by the Board of Directors, in accordance with the functions this legal ruling assigns it (them). The Board of Directors may assign, as the case may be, additional functions on other matters to the Committees referred to under this Clause.

The chairmen of the Committees that exercise their corporate or audit functions shall be appointed and/or removed from their position exclusively by the General Stockholders' Meeting. These chairmen may not chair the Board of Directors and they shall be selected based on their experience, their known capacity and professional prestige. In addition, they shall prepare an annual report on the activities that correspond to those bodies and submit to the Board of Directors, all this pursuant to provisions under Article 43 of the Securities Market Law.

In preparing the reports mentioned herein above, and also the opinions mentioned under Article 42 of the Securities Market Law, the Committees with corporate and audit functions shall listen to the relevant officers and, if there is a difference of opinion with the latter, they shall incorporate these differences in the aforementioned reports and opinions.

The Committees with corporate and audit functions may meet whenever they deem it convenient and they can be summoned by their Corporation Chairman, Secretary or Alternate Secretary.

To hold the ordinary and extraordinary meetings of the Committees referred to herein above, it is necessary for the majority of the members to be present and the decisions shall be adopted by the favorable vote of the majority of the members present.

**ON FISCAL YEARS AND THE ANNUAL DOCUMENTATION
TO THE STOCKHOLDERS' MEETINGS**

FORTY THIRD. The fiscal years will be of twelve months and will run from January first through December thirty first of each year.

FORTY FOURTH. Pursuant to the terms under Section IV of Article 28 of the Securities Market Law, the Board of Directors shall present to the General Stockholders' Meeting held at the closing of each fiscal year:

- a) The reports of the Chairman or Chairmen of the Committees with corporate and audit functions, referred to under Article 43 of the Securities Market Law.
- b) The report to be prepared by the Chief Executive Officer in accordance with Article 44, Section XI of the Securities Market Law, together with the opinion of the External Auditor.
- c) The Board of Directors' opinion on the content of the Chief Executive Officer's report referred to in the paragraph herein above.
- d) The Board of Directors' report referred to under Article 172, paragraph b) of the General Corporations Law which includes the main accounting and information policies and criteria followed by the preparation of the financial information.
- e) The report on the operations and activities in which the Board of Directors took part as foreseen under the Securities Market Law.

RESERVE FUND AND PROFITS AND LOSSES DISTRIBUTION MANNER

FORTY FIFTH. The net profits reported in the financial statements, as the case may be, after they have been approved by the Ordinary Annual Stockholders' Meeting shall be distributed as follows:

- a) In the first place, 5% (five per cent) shall be set aside for the establishment of or reestablishment of a legal reserve fund, until it represents an amount that is equal to the fifth part of the capital stock.
- b) Subsequently the amount resolved by the General Stockholders' Meeting, as the case may be, shall be set aside to create the extraordinary, special or additional funds deemed convenient.
- c) The amounts agreed upon by the Stockholders' Meeting shall be set aside to create or increase general or special reserves.
- d) The remaining profits may be distributed as dividends to the stockholders, proportionate to the number of shares they own, and which form the capital stock.

Dividends shall be paid in exchange for the corresponding coupons, unless the Stockholders' Meeting resolves on other means of verification. Dividends not collected in five years counted from the date, in which the corresponding payment is to be made, shall prescribe in favor of the Corporation.

If there are losses, these shall be borne by the Stockholders prorated to the respective number of their shares, but always limited to the Stockholders' obligation to pay their subscription amounts, and no additional payment can be demanded from them.

ON THE CAUSES FOR DISSOLUTION

FORTY SIXTH. The Corporation shall be dissolved:

- I. By maturity of the duration term established in this deed.
- II. Impossibility to continue to carry out the main purpose of the Corporation.
- III. By resolution of the partners adopted in accordance with the articles of incorporation and the law.
- IV. Because there are less than two stockholders, that is the minimum required by law.
- V. Due to loss of two thirds (2/3) of the capital stock.

**ON THE BASIS FOR LIQUIDATION
OF THE FOUNDING PARTNERS AND GENERAL PROVISIONS**

FORTY-SEVENTH. Once the dissolution has been agreed upon, the Company shall be liquidated and the Extraordinary Stockholders' Meeting, by majority vote of ordinary shares, shall appoint one or more liquidators, who shall be the Company's representatives, and shall have the powers and obligations established under Article two hundred and forty two of the General Corporations Law. In due time, they must proceed to distribute the amounts remaining, amongst the stockholders in accordance with Articles two hundred and forty-seven and two hundred and forty-eight of the Law.

FORTY-EIGHT. The founding partners reserve no rights for them.

FORTY-NINTH. While the Corporation's shares are registered in the National Securities Register, they shall be subject to special provisions under the Securities Market Law and on those issues not included therein, according to the General Corporations Law.

FIFTIETH. Any dispute that may arise from entering, interpreting and complying with this agreement, whereof the Corporation is a party, shall be submitted to the Federal courts of the United Mexican States.

Attachment IV.1.2
In Response to Request IV.1

ENV10:

T R A N S L A T I O

T E L M E X

IRREVOCABLE TRUST AGREEMENT ENTERED INTO BETWEEN INTERNACIONAL, S.A., INSTITUCION DE BANCA MULTIPLE (MULTIPLE INSTITUTION), GRUPO FINANCIERO (FINANCIAL GROUP) BITA. FIDUCIARIA (TRUSTEE DIVISION), AS TRUSTOR, HEREINAFTER "TRUSTOR", REPRESENTED BY ITS TRUSTEE REPRESENTATIVE MR. AZCOITIA MORAILA AND MS. REBECA TREJO SANCHEZ, ATTORNEY AT BANCO INBURSA, S.A., INSTITUCION DE BANCA MULTIPLE (MULTIPLE INSTITUTION), GRUPO FINANCIERO (FINANCIAL GROUP) INBURSA FIDUCIARIA (TRUSTEE DIVISION), AS TRUSTEE, HEREINAFTER "TRUSTEE", REPRESENTED BY LIC. HUMBERTO ZEPEDA RUIZ, ITS REPRESENTATIVE WITH THE APPEARANCE OF SBC INTERNACIONAL HEREINAFTER CALLED "BENEFICIARY", REPRESENTED BY MR. MICHAEL AND MR. MARK E. ROYSE, AS WELL AS WITH THE APPEARANCE OF GLOBAL TELECOM, S.A. DE C.V. REPRESENTED HEREWITH BY MR. VALDES ACRA PURSUANT TO THE FOLLOWING BACKGROUND, DEFINITIONS AND CLAUSES:

B A C K G R O U N D

- I. On December 20, 1990, a Trust Agreement was executed on the total shares of Teléfonos de México, S.A. de C.V. (hereinafter called TELMEX) underwritten by the Federal Government of the United Mexican States, Carso, S.A. de C.V., Southwestern Bell International Holdings (currently, SBC International, Inc.) and France Cables et Radio.
- II. The Secretariat of Commerce and Industrial Development, prior favorably from the National Foreign Investment Commission, approved the execution of the Trust Agreement pursuant to statements I-g and I-h of the December 20, 1990 Trust Agreement.

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Trust Agreement and other appropriate ones through official documents Nos. 7982 and 7983 dated December 19, 1990. The approval was also based on the then in effect Article 15 of the Regulation of the Law to Promote Mexican Investment and Regulate Foreign Investment and General Resolution No. 3, Rule 1-Item A, published in the Official Gazette of the Federation on August 9, 1990.

D E C L A R A T I O N S

I. The TRUSTOR declares:

That it is a credit institution duly organized under Mexican laws having the power to perform the duty of TRUSTEE in this Trust.

- (A) That fulfilling the purposes of the trust referred to by Background I, it wishes to transfer and deliver to the TRUSTEE, TELMEX's Series "AA" shares described on Attachment "A" of this Agreement corresponding to the BENEFICIARY, pursuant to express instructions received from the BENEFICIARY.

II. The TRUSTEE declares:

- (A) That it is a credit institution duly established under Mexican laws having the power to perform the duty of TRUSTEE in this Trust.

III. The BENEFICIARY declares:

- (A) That it is a corporation duly organized under the laws of the State of Delaware, United States of America and has the legal capacity to execute this Agreement and that its representative has full legal power to execute it.
- (B) That it agrees to have the TRUSTOR transfer and deliver to the TRUSTEE, TELMEX's Series "AA" shares described on Attachment "A" of this

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Agreement corresponding to it because of the Trust Agreement referred to by Background I.

Based on the Background and Declarations above, the parties enter into the Agreement contained in the following:

C L A U S E S

FIRST. The TRUSTOR irrevocably delivers and transfers to the TRUSTEE and the TRUSTEE receives, in trust and for the purposes established in this Agreement, the share certificate of Series "AA" shares of TELMEX described on Attachment "A" of this Agreement. That is to say, one billion fifty-nine million eight hundred and ninety thousand seventy-six (1,059,890,076) TELMEX common registered Series "AA" shares of TELMEX.

In turn, the TRUSTEE gives in favor of the TRUSTOR the corresponding receipt for the patrimony in trust.

The BENEFICIARY can transfer to this trust, at any time, through the transfer and delivery to the TRUSTEE of additional TELMEX Series "AA" shares to be assigned to the purposes of this trust to be part of the assets of the trust itself. This in the understanding that the BENEFICIARY shall not be able to furnish to the trust a higher percentage of Series "AA" shares than the percentage allowed by the bylaws of TELMEX.

SECOND. The following are parties of this trust:

TRUSTEE: Banco Inbursa, S.A., División Fiduciaria
TRUSTOR: Banco Internacional, S.A., División Fiduciaria.
BENEFICIARY: SBC International, Inc.

THIRD. The purposes of the TRUST subject matter of this Agreement are:

1. That the TRUSTEE receives and maintains the property and holding of TELMEX's Series "AA" shares and keep them in TRUST, pursuant to the terms and conditions

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set in this agreement.

2. That the TRUSTEE shall exercise all corporate and proprietary or pecuniary rights corresponding to or resulting from TELMEX's Series "AA" shares which are part of the patrimony of the TRUST. This in the concept that if in the exercise of these rights the TRUSTEE were to receive TELMEX's Series "AA" shares, these new shares to be part of the assets of the TRUST shall be assigned to its purposes. These new shares shall be considered part of TELMEX's Series "AA" shares for all the purposes of this Agreement. The shares shall be voted the same way as Carso Global Telecom, S.A. de C.V. a Mexican corporation its capital can only be subscribed by Mexicans except for the appointment of TELMEX's members of the Board of Directors and the Executive Committee.
3. At any time and when the BENEFICIARY so instructs expressly and in writing, the TRUSTEE shall proceed to convert Series "AA" shares into other TELMEX share series. Or else transfer, deliver or sell, totally or partially, the beneficiary rights or the certificates of TELMEX's Series "AA" that are part of the assets of the TRUST within or outside of the Bolsa Mexicana de Valores, S.A. de C.V. The above to persons duly qualified to acquire them in the legal and statutory terms and provisions in effect on the date the conversion and/or transfer is conducted in the terms the BENEFICIARY indicates.
4. That the TRUSTEE shall receive when it so corresponds the price of alienation of TELMEX's Series "AA" shares as well as any yield or product resulting from the assets of the TRUST. It shall transfer or deliver them to the BENEFICIARY, pursuant to written instructions. While the transfer or delivery is not carried out, it shall administer the corresponding resources investing them in securities from those authorized in writing by the BENEFICIARY, which shall instruct the TRUSTEE in writing in what securities to invest.
5. That the TRUSTEE shall receive, based on written instructions from and deliver to the BENEFICIARY amounts corresponding to TELMEX's Series "AA" shares for the concept of dividends or, as the case may be, for amortization of shares or refund for decreases of share capital or any other concept. Likewise, the

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TRUSTEE shall receive additional "AA" shares for the concept of dividend in shares, splits or profit capitalization.

6. That in the event that in a TELMEX Shareholders' Meeting an increase of capital is agreed upon to be paid through new contributions of shareholders, the TRUSTEE shall exercise the right of preference to underwrite and pay for the new shares issued to represent this increase corresponding to TELMEX's Series "AA" shares. This provided that the TRUSTEE has received from the BENEFICIARY at least five (5) working days before the limit date to exercise the right of preference and underwrite and pay for the new shares issued by TELMEX both written express instructions to underwrite the new shares and the amount necessary to pay TELMEX the price or value of subscription of the new shares.

Capital increases shall be subscribed by the TRUSTEE in ratio to its share ownership except for written instructions to the contrary on the part of the BENEFICIARY to the TRUSTEE.

7. That pursuant to instructions received from the BENEFICIARY, the TRUSTEE shall conduct all other actions necessary for the execution of the purposes of the TRUST, including, as the case may be, actions to defend the assets of the TRUST.

FOURTH. To exercise the corporate rights of TELMEX's Series "AA" shares, especially to represent and vote TELMEX's series "AA" shares at Ordinary, Extraordinary or Especial TELMEX Meetings, the TRUSTEE shall represent these shares by means of the TRUSTEE's officer or representative it appoints. It shall necessarily vote these shares in the same way and form as Carso Global Telecom, S.A. de C.V. votes except in the case of TELMEX's Shareholder Meetings that must resolve appointment of members of Telmex's Board of Directors and Executive Committee. In this case, the BENEFICIARY shall give direct instructions to the TRUSTEE concerning the appointment of members of TELMEX's Board of Directors and Executive Committee.

The TRUSTEE shall receive the corresponding voting instructions, in writing from the BENEFICIARY two (2) working days before the Shareholders' Meeting is held.

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FIFTH. The TRUSTEE shall not be liable before the BENEFICIARY for events or actions of third parties impeding or making the execution of the objects connected with the TRUST difficult, or for acting in compliance with instructions received from the BENEFICIARY.

~~In the event of defense of the assets of the TRUST the TRUSTEE shall only be required to grant powers to the person the BENEFICIARY indicates to have him take over its defense. The TRUSTEE shall not be responsible in any way for the result of this defense, likewise, it shall neither be responsible for expenses nor fees generated by this defense.~~

SIXTH. This TRUST shall be in effect for a maximum thirty (30)-year period from the date of the signature of this Agreement. At the end of this period of time, the BENEFICIARY can instruct the TRUSTEE to transfer the assets of the TRUST to another trust in the trustee institution it determines with purposes similar to those foreseen in this TRUST. The BENEFICIARY of the new TRUST shall have the same nature as in the current one. If at the end of this period of time, the TRUSTEE has not received instructions on the terms or how to transfer the assets of this TRUST or sell, transfer or convert TELMEX's Series "AA" shares still part of the TRUST, the TRUSTEE shall proceed to sell all of TELMEX's Series "AA" shares still part of the TRUST at the Bolsa Mexicana de Valores, S.A. de C.V. It shall also proceed to give the net amount of the product of this sale to the BENEFICIARY.

The TRUST can end in advance, however, if at any time and at the written request of the BENEFICIARY, the TRUSTEE transfers in property the assets of the TRUST, in any one of the forms established below, in an enunciative but not limitative form:

- a) Delivering all TELMEX's Series "AA" shares to the BENEFICIARY when it so requests, if it has at that time the legal and statutory capacity necessary to be the holder of these shares pursuant to TELMEX's applicable laws and bylaws and in effect at that time.
- b) Transferring all TELMEX's Series "AA" shares to any other person the BENEFICIARY appoints with legal and statutory capacity to be the holder of these shares under TELMEX's applicable laws, provisions and bylaws and in effect at that time.

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- c) Selling, assigning or alienating all of TELMEX's Series "AA" shares in the form the BENEFICIARY determines. In this case, the product derived from this sale shall be handed over to the BENEFICIARY.

- d) Converting all of TELMEX's Series "AA" shares in the form the BENEFICIARY determines into another series of shares foreseen in TELMEX's bylaws.

SEVENTH. BANCO INBURSA, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa, División Fiduciaria, accepts the duty of TRUSTEE and protests its loyal and faithful performance.

EIGHTH. For the performance of its duties the TRUSTEE shall receive the fees established on Attachment "B" signed by the parties, attached to this Agreement.

NINTH. At the request of the BENEFICIARY, the TRUSTEE shall provide it a detailed and satisfactory statement of the assets of the TRUST to the date of this request as well as any other reasonable information requested.

TENTH. If the TRUSTEE is required to convert Mexican pesos into any other currency available in the Mexican financial market to send any amount to the BENEFICIARY, including dividends, distributions or any other product from the assets of the TRUST, the TRUSTEE, pursuant to applicable laws, shall convert Mexican pesos into the currency the BENEFICIARY selects.

ELEVENTH. Any modification to this Agreement shall only be valid if it is made with written consent from the BENEFICIARY and the TRUSTEE.

TWELFTH. All taxes, rights, expenses caused by the assets of the trust or caused as consequence of this agreement shall be at the expense of the BENEFICIARY. It shall accredit their payment to the TRUSTEE at the time it requests it

THIRTEENTH. Only another TRUSTEE appointed by the BENEFICIARY in writing can replace the TRUSTEE. When the duty of the TRUSTEE ends because of resignation or replacement, it shall make a report of the assets of the trust from the time of the last report

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it has made to the date the resignation or replacement becomes effective. The BENEFICIARY shall have 30 working days to examine the report and make the inquiries considered pertinent. If no observation has been made when the term ends, it shall be understood that it is tacitly approved. When appointing a successor in trustee functions, the new trustee shall be invested with all the power, rights, authorizations and obligations it agrees upon with the BENEFICIARY taking possession of the goods making up the assets of this agreement. No TRUSTEE replacement shall be in effect until the new trustee assumes all the obligations of the former trustee under this Agreement.

FOURTEENTH. That in fulfillment of what is provided by Article 106, item b) paragraph XIX of the Law of Credit Institutions, its contents are transcribed.

"Article 106. Credit institutions shall be prohibited: ...- XIX. In the performance of operations referred to by Article 46, Fraction XV of this Law:... b) Respond to trustors, constituents or principals for non-fulfillment of debtors, credits granted or issuers, for values acquired, except if it is their fault in accordance with what is provided in the final part of article 356 of the General Law of Credit Certificates and Operations or ensure perception of yields for funds whose investment is entrusted to them.

If at the end of the trust, mandate or commission established to grant credits, these were not settled by debtors, the institution shall transfer them to the trustor or beneficiary, as appropriate, or to the constituent or principal abstaining from covering their amount.

Any agreement contrary to what is provided in the two paragraphs above shall not have any legal effect.

In trust, mandate or commission agreements this item shall be visibly inserted with a statement from the trustee to the effect that its contents were unequivocally made known to persons from whom they have received goods for their investment."

The TRUSTEE in fulfillment of the above state makes, its contents known to the parties in the terms of this Article.

FIFTEENTH. For everything concerning this agreement, the parties designate the following as their conventional addresses:

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The TRUSTOR: Banco Internacional, S.A.
División Fiduciaria
Paseo de la Reforma No. 15, Piso 17
Colonia Cuauhtémoc
06600 México, D.F.

The TRUSTEE: Banco Inbursa, S.A.
División Fiduciaria
Insurgentes Sur No. 3500, Piso 1
Col. Peña Pobre
14060 México, D.F.

The BENEFICIARY: SBC International, Inc.
175 E. Houston,
San Antonio, Texas 78205,
United States of America
Telefax: (210) 351-3849
Attention: Mr. Michael J. Viola

With copy to:

Noriega y Escobedo, A.C.
Sierra Mojada No. 626
Lomas Barrilaco
11010 México, D.F.
Telefax: 5284-3300
Attention: Mr. Carlos Bernal

All notifications, instructions, and communications of any type shall be in writing and considered valid when sent to the addresses mentioned unless the involved party has previously notified the other party in writing of change of address. For the purposes of this Agreement, "in writing" shall signify any form of written communications or communication sent by telefax.

SIXTEENTH. Applicable laws of the Mexican United States shall govern everything not foreseen in this Agreement and the trust established. For everything concerning interpretation, execution or fulfillment of this Agreement, the parties shall submit to the jurisdiction of the competent Courts of Mexico City, Federal District, expressly waiving any other jurisdiction that might correspond them by reason of their present or future address.

SEVENTEENTH. Each one of the parties acknowledges the legal status and capacity of the other parties, as well as the power of their representatives to execute this Agreement.

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This agreement and its attachments are undersigned in three counterparts in Mexico City on March...2001.

TRUSTEE
Banco Inbursa, S.A.
Institución de Banca Múltiple,
Grupo Financiero Inbursa,
División Fiduciaria

By: Lic. Humberto Zepeda
Trustee Representative

TRUSTOR
Banco Internacional, S.A.
División Fiduciaria

By: Lic. Eduardo Azcoitia
Trustee Representative

Lic. Rebeca Trejo Sánchez
Trustee Representative

BENEFICIARY
SBC International, Inc.

Michael J. Viola
Vicepresidente-Treasurer

Mark E. Royse
President of SBCI- México

Carso Global Telecom, S.A. de C.V.

Lic. Eduardo Valdés Acra

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ATTACHMENT "A"

SHARE CERTIFICATE NO. 0000002, EMISSION 2000, DATED 20TH JANUARY 2000 OF 1,059,890,076 FULLY PAID AND REGISTERED SERIES AA SHARES OF THE 16,171,080,182 SHARES IN WHICH THE FIX PORTION OF THE CORPORATE CAPITAL OF TELEFONOS DE MEXICO, S.A. DE C.V. IS DIVIDED.

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ATTACHMENT "B"

~~THE BENEFICIARY AGREES TO PAY TO THE TRUSTEE FOR THE STUDY, ACCEPTANCE, CUSTODY AND ADMINISTRATION OF THE TRUST AND ITS PATRIMONY THE ANNUAL AMOUNT OF US19,000.00 (NINETEEN THOUSAND DOLLARS LAWFUL CURRENCY OF THE UNITED STATES OF AMERICA) PLUS THE VALUE ADDED TAX. IT SHALL PAY IT, THE FIRST YEAR, UPON SIGNATURE OF THIS AGREEMENT AND THE SECOND AND CONSECUTIVE YEARS 30 WORKING DAYS AFTER THE ANNIVERSARY OF THE SECOND OR CONSECUTIVE YEARS AND PROPORTIONALLY IF THE TRUST IS TERMINATED IN LESS THAN A FULL YEAR.~~

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Attachment IV.1.3

In Response to Request IV.1

Execution

AGREEMENT

Intending to be bound, the Parties do hereby enter into this Agreement ("Agreement") between Carso Global Telecom, S.A. de C.V., a Mexican corporation ("Carso Telecom") and SBCI International, Inc. ("SBCI"), a Delaware corporation (collectively, the "Parties").

RECITALS

A. Since December 20, 1990, the Parties have participated in a trust (the "Trust") through which they originally held Teléfonos de México, S.A. de C.V.'s ("Telmex") capital stock in the form of "AA" Shares (the "AA Shares"). Through the Trust, a combination of Mexican investors, including Carso Telecom, have beneficially owned 51% of the AA Shares, and SBCI had beneficially owned 24.5% of the "AA" Shares.

B. On November 14, 1990, the Parties entered into an agreement, as amended from time to time (the "Original Joint Venture Agreement") to govern their relationship as participants in the Trust and to ensure voting control of Telmex.

C. On April 27, 2000, the Parties entered into a Conversion and Termination Agreement with France Télécom Financière Internationale, to permit the conversion of its Converted AA Shares (as therein defined), terminate the Original Joint Venture Agreement and the Trust *vis a vis* France Télécom Financière Internationale, and to govern certain rights in connection with such transaction.

D. The Parties now desire to terminate the Original Joint Venture Agreement, as amended, and the Trust and to create a new joint venture agreement (the "New Joint Venture Agreement") to govern the Parties' relationship within Telmex and to amend the Telmex By-laws pursuant to this Agreement.

NOW THEREFORE, in consideration of the representations, warranties, covenants and agreements herein contained, and of the mutual benefit to be derived herefrom, the Parties hereto agree as follows

1. Management of Telmex.

A. The responsibility for the management of Telmex shall reside with the Telmex Board of Directors (the "Board" or "Board of Directors"). However, the Board will seek input on various matters from committees the Board may establish, pursuant to the By-laws, from time to time, as well as from the Executive Committee.

B. The Director General of Telmex shall be responsible for the day-to-day administration of the business of Telmex and shall be accountable to the Telmex Board of Directors.

2. Board Composition: Committees.

A. The Board of Directors of Telmex will continue to exist in accordance with the By-laws of Telmex as amended.

B. Carso Telecom shall nominate candidates to assume thirteen (13) positions on the Board of Directors. SBCI shall nominate candidates to assume four (4) positions on the Board of Directors. The Parties anticipate that the Board of Directors shall be subsequently reduced to thirteen (13) members, whereby at such time SBCI shall be entitled to nominate candidates to assume two (2) positions on the Board of Directors. Each of the Parties agrees to vote its "AA" Shares in favor of the other Parties' candidates.

C. In the event the "AA" shareholders are unable for any other reason to elect seventeen (17) members of the Board, then the allocation of Board members among the Parties shall change accordingly but shall maintain, so far as possible, the same proportions as outlined in paragraph B above.

D. The Board will act by majority vote.

E. Executive Committee. The executive committee of the Board of Directors (the "Executive Committee") will continue to exist in accordance with and be empowered by the By-laws of Telmex as amended and provided herein. The Executive Committee will be the principal consultative body of the Board and will be the body through which all major strategic, operational, financial and investment decisions are reviewed and recommended to the Board. The Executive Committee shall meet whenever necessary but at least prior to each Board of Directors meeting, unless otherwise agreed by the Parties. The matters for Executive Committee review and discussion shall be those items set forth in Attachment A.

At least five (5) business days written notice (by facsimile and courier) shall be given to each of the Executive Committee members of any meeting of the Executive Committee, provided always that a shorter period of notice or no notice may be given if approved by all Executive Committee members. Any such notice shall contain, inter alia, an agenda identifying in reasonable detail all of the matters to be discussed at the meeting and shall be accompanied by copies of any relevant papers to be discussed at the meeting. The Executive Committee shall have all of the power to operate and manage Telmex except for those powers the Board expressly reserves to itself. The Executive Committee shall make recommendations on all matters on which the By-laws call for Executive Committee review. Each Party agrees that it will cause its Executive Committee members to use their best efforts to achieve a common position on matters presented to the Executive Committee. Should the Parties be unable to reach a common position or it is anticipated by either Party that a common position may not be reached at an Executive Committee Meeting on any matter properly noticed pursuant to this paragraph E, they shall arrange a conference between the Chief Executive Officers of Carso Telecom, and SBCI or their respective executive designees. If the matter is not resolved by the Two Chief Executive Officers / Director Generals before the next regular scheduled Board meeting where such matter will be discussed, the matter shall be resolved by majority decision by the Executive Committee. If an agenda item for an Executive

Committee Meeting was not properly noticed pursuant to this paragraph E and the Parties are not able to reach a common position on such agenda item prior to the next regular scheduled Board meeting a decision on the matter shall be postponed until the next regular scheduled Executive Committee Meeting or until a common position is reached or until notice is cured pursuant to this paragraph E, whichever comes first.

Notwithstanding the above, if it is determined by Carso Telecom in good faith that a matter subject to Executive Committee review cannot wait until the next regularly scheduled Executive Committee Meeting for its review and consideration, because time is of the essence, such specific matter shall be discussed with SBCI prior to any action being taken by the Company regarding the matter and each Party's decision shall be reflected in the minutes of the next regularly scheduled Executive Committee Meeting.

F. The Board shall not consider or vote on the Executive Committee Matters without a recommendation from the Executive Committee except for any case in which the Executive Committee did not achieve a common position regarding an agenda item pursuant to paragraph E above.

G. The Executive Committee will consist of four (4) members, three (3) of whom will be appointed by Carso Telecom, and one (1) of whom will be appointed by SBCI.

3. Compensation for Services.

The Parties shall work with and assist the Telmex management to enhance the long-term prosperity of Telmex. The Parties will provide for a contract between each of them and Telmex which the Parties will be compensated on a commercially reasonable basis for services rendered to Telmex. The Parties agree to cause Telmex to execute the attached Management Services Agreements (MSA) (Attachment B) under which for five (5) years SBC International - Management Services, Inc. (SBCI-MSI) will provide management services to Telmex. The Parties shall subsequently attach to this Agreement as Attachment C a MSA for which Carso Telecom shall be compensated for the services it provides to Telmex. SBCI-MSI and Carso Telecom will be compensated at least \$10 million U.S. Dollars per annum each for the services provided by SBCI-MSI expatriates and Carso Telecom for the initial 2-year term of the MSA's.

4. Transfers of Shares

A. Subject to applicable laws and pursuant to the right of first offer set forth below the Parties shall have the right to freely transfer their "AA" Shares. Furthermore nothing shall restrict the ability of a shareholder to: (i) convert any or all of its "AA" Shares to "L" shares in accordance with the By-laws and to transfer or sell the "L" shares and provided further that the Parties shall, subject to any limits as to percentages provided for by the by-laws, insure sufficient "L" Shares are available to allow any Party to convert "AA" Shares to "L" Shares upon request of the Party seeking to convert; or (ii) the ability of a Shareholder to create or permit to exist any pledge, lien, or other encumbrance over any AA Shares held by that Shareholder (a "Lien"), or to agree, conditionally or otherwise, to do any of the

foregoing (and for the purposes of this article "dispose" shall be deemed to exclude all or any of the above), provided further that, to be valid any such Lien should provide that, in case of any disposition of the AA Shares, the right of first offer to the other Shareholder is fully complied with.

B. Notwithstanding the right of first offer provision set forth below, a Shareholder may transfer any of its "AA" Shares to:

- (i) any other Shareholder or
- (ii) an Affiliate of the transferring Shareholder who agrees in writing to be bound by the provisions of this Agreement. Affiliate as used in this Agreement shall mean, as to any person, any other person that controls, is controlled by or is under common control with such person. For purposes of this definition the term "control" of a person shall mean the possession, direct or indirect, of the power to vote 51% or more of the voting stock of such person or the direct or cause the direction of the management and policies of such person or to direct or cause the direction of the management and policies of such person, whether through the ownership of such voting stock, by contract or otherwise.

C. Save for transfers permitted under paragraphs A and B if a Shareholder desires to sell or otherwise dispose of any of its "AA" Shares ("Seller"), the Seller shall give notice to the other Shareholder in writing ("Transfer Notice") of such desire together with details of the purchase price and other material terms requested by the Seller. A Transfer Notice shall, except as hereinafter provided, be irrevocable.

D. On receipt of the Transfer Notice, the other Shareholder ("Continuing Shareholder") shall have the right to purchase, in aggregate, all (but not some only) of the Seller's "AA" Shares being sold at the purchase price specified in the Transfer Notice. If SBCI is prohibited by Mexican Law from purchasing all of the Seller's "AA" Shares SBCI shall have the right to purchase Seller's "AA" Shares through a third party, trust or other entity legally allowed to hold "AA" Shares.

E. The Transfer Notice will invite the Continuing Shareholder to give written notice ("Acceptance Notice") to the Seller within thirty (30) days (for the purposes of this Agreement the term "days" shall mean calendar days) of receipt of the transfer notice ("Acceptance Period") whether it is willing to purchase all of the Seller's "AA" Shares. For the avoidance of doubt, the Acceptance Notices from the Continuing Shareholder must account for the purchase and sale of all of the Seller's "AA" Shares being sold.

F. The Continuing Shareholder shall become bound (subject only to any necessary approvals of its shareholders in general meeting and/or of its Board or of any competent regulatory authorities, including anti-trust commissions or entities in any required jurisdiction) to purchase the Seller's Shares on giving the Acceptance Notice. In such event, completion of the sale and purchase of the Seller's Shares shall take place within sixty (60) days after the latter of the giving of such notice or,

after the obtaining of necessary approvals of any competent governmental, regulatory or other authorities (including, without limitation, the approval of any governmental, regulatory or other authorities which have jurisdiction over any tangible or intangible asset in which Telmex may at the relevant time be directly or indirectly interested). Notwithstanding the foregoing, such notice and right of the Continuing Shareholders to acquire the Seller's Shares shall cease to have effect if:

- (i) any necessary approval of the Continuing Shareholder's shareholders in general meeting and/or its appropriate board has not been obtained within the said period of sixty (60) days or
- (ii) any necessary approval of any competent governmental, regulatory or other authority has or have not been obtained within one hundred and eight (180) days after the giving of such notice or
- (iii) if earlier than the expiry of such latter period, any such authority has conclusively refused to grant any such approval and no appeal or other request for review is timely filed and remains pending.

G. If:

- (i) at the expiration of the Acceptance Period the aggregate number of Seller's Shares to be purchased by the Continuing Shareholders is less than the total number of Shares Seller desires to sell; or
- (ii) the deadlines set forth in paragraph F have not been satisfied,

the Seller shall be entitled to transfer all of the "AA" Shares of the Seller specified in the Transfer Notice on a bona fide arm's length sale to a third party purchaser at a price being not less than the purchase price specified in the Transfer Notice, provided that such transfer shall have been completed within a period of one hundred and eighty (180) days after the latter of:

- (i) the date of the Transfer Notice; or
- (ii) the date the Continuing Shareholder's right to acquire the Seller's Shares shall have ceased to have effect pursuant to subparagraph B, the date on which such notice ceased to have effect;

and further provided that:

- (iii) third party purchaser shall have agreed in advance in writing to sign and be governed by a shareholder agreement with provisions in compliance with this Agreement; and
- (iv) all necessary approvals of governmental or applicable authority shall have been obtained.

The Continuing Shareholder shall be permitted to confirm that the bona fide offer from the third party purchaser is firm and subject only to conditions that could reasonably be expected to be satisfied, by (i) review of the documents involved in

such bona fide offer and (ii) requiring that the proposed transferee submit evidence reasonably satisfactory to the Continuing Shareholder of financing for such purchase.

H. Should Carso Telecom transfer its Telmex "AA" shares to a third party so that Carso Telecom no longer directly or indirectly owns the majority of the "AA" shares, SBCI shall have a tag along right which will permit SBCI, in its discretion, to sell to the third party buyer and requires the third party purchaser to acquire the same portion of its "AA" Shares as Carso Telecom is selling under the same terms and conditions (the "Tag-Along Shares"). SBCI shall exercise its rights under this paragraph H by indicating in writing to Carso Telecom that SBCI intends to include the Tag-Along Shares in the Seller contemplated transfer.

I. Should Carso Telecom transfer its Telmex "AA" shares to a third party so that Carso Telecom no longer directly or indirectly owns a majority of the "AA" shares, Carso Telecom shall have a drag along right which will permit Carso Telecom, in its discretion, to require SBCI to sell the same portion of its "AA" shares as Carso Telecom is selling to the third party under the same terms and conditions (the "Drag-Along Shares"). Carso Telecom shall exercise its rights under this paragraph I by indicating in writing to SBCI that Carso Telecom intends to include the Drag-Along Shares in its contemplated transfer.

5. Confidentiality and Publicity.

Subject to obligations to make this Agreement known under any stock exchange rules or other legal requirements, so long as this Agreement is in effect and for a period of five years after termination for any cause, each Party agrees, after receipt of any specific information, to maintain in confidence such information and to use solely for the purpose of the transactions contemplated herein, all documents or information of any kind pertaining to Telmex or the Parties, which may have been created or communicated in a confidential manner by the other Parties, by Telmex, or by the Mexican Government. Each Party will cause its consultants, agents and employees to comply with the obligations it has assumed hereunder.

The Parties agree that they will not make any public announcements or other disclosure of this Agreement, its purpose or contents, or of any activities conducted pursuant hereto, without prior mutual consultation and consent, except as may be required by law.

6. Certain Immediate Actions.

The Parties agree:

A. that the by-laws (estatutos) of Telmex shall be amended to substantially reflect the content of this Agreement by no later than April 30, 2001 and, for such purposes, a Special Meeting of the holders of "L" Shares, a Special Meeting of the holders of "AA" Shares and a General Meeting of shareholders of Telmex will be called and held.

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B. to terminate the Trust upon establishment of the Second Trust and will thereafter be of no further force and effect.

C. to execute and deliver any further document or instrument that the trustee of the Trust may require to formalize such termination.

D. that SBCI will establish, as soon as practicable, the Second Trust attached herein as Attachment D.

E. to terminate the Original Joint Venture, as of the date this Agreement becomes effective and will thereafter be of no further force and effect.

F. to execute the Management Service Agreements, as attached herein as Attachment B.

7. Affiliates and Assignment.

The Parties acknowledge that each may assign its rights and obligations under this Agreement to one or more Affiliated companies in their respective corporate groups. This Agreement shall bind the Parties and their respective successors and assigns. Except as expressly provided herein, no Party shall be entitled to assign its interest in this Agreement without the express written consent of the other Party.

8. Governing Law.

Except for the procedural rules set forth in Clause 9 relating to arbitration, this Agreement shall be governed by and construed in accordance with the laws of Mexico; provided, however, that if any term of any obligation is unenforceable but the performance of such term or such obligation does not violate the law, governmental regulations, or public policy of Mexico, then in any arbitration pursuant to Clause 9 the tribunal shall apply in respect of the terms of such obligations and its enforcement and/or compensation for the breach thereof, internationally acceptably contract law principles in such a manner as to give full effect to such obligation and intent of the Parties thereto.

9. Good Faith; Cooperation.

The Parties shall promptly do and perform such further acts, matters, or things and execute and deliver all further instruments required by law or which may be reasonably requested by any Party to establish, maintain, and protect the respective rights and remedies of any Party and to carry out and effect to the intent and purposes of this Agreement.

10. Arbitration

Any controversy or claim arising out of or relating to this Agreement or any breach thereof that has not been resolved between the Parties after good faith discussions may be settled by arbitration. The arbitration shall be held in Mexico City, Mexico under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with said rules. The arbitration shall be conducted in Spanish and English. The arbitral award shall be final and binding on the Parties.

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11. Notices.

All communications hereunder shall be in writing and shall be deemed effectively given on day after being sent by telecopy or courier, confirmed by letter as follows:

Carso Global Telecom, S.A. de C.V.
c/o Chief Financial Officer
Insurgentes Sur No. 3500, Colonia Peña Pobre, 14060
Mexico, D. F.,
Telecopy: 525-726-3659
Attention:

SBC International, Inc.
175 E. Houston, Room 10-A-50
San Antonio, Texas 78205
Telecopy: 210-351-5166
Attention: Chief Executive Officer

12. Amendments; Entire Agreement; Language.

This Agreement may not be amended or modified except by a written instrument signed by the Parties. This Agreement supersedes all prior agreements or understandings with respect to the subject matter hereof among or between any of the Parties, including, among others the Original Joint Venture Agreement and the Trust. This Agreement has been prepared in both English and Spanish versions, and each version is equally authoritative.

13. Representations, Covenants, and Warranties.

Each Party covenants, represents, and warrants with respect to itself that:

A. It is of good standing and has full power and authority to enter into and perform this Agreement and any other agreement or instrument to be executed pursuant to this Agreement and that this Agreement constitutes, and such agreements and instruments will constitute, binding obligations on such Party in accordance with their respective terms and the execution and performance of this Agreement and all related agreements will not contravene or breach any obligations, agreements, governmental ruling, or laws by which such Party is bound.

B. Such Party is not a party to any litigation or subject to any governmental investigation or proceedings that could in any way affect such Party's ability to enter into or perform the terms and conditions of this Agreement.

C. The execution, delivery, and performance of this Agreement by such Party shall not, with or without the giving of notice or passage of time, or both, conflict with, result in a breach of, default or loss of rights under, or result in the creation of any lien, charge or encumbrance pursuant to any provisions of such Party's incorporation documents or any franchise, mortgage, deed of trust, lease, license, agreement, understanding, law, order, judgment, or other restriction to which such Party or any subsidiary or holding company of such Party is a party or by which any

of them may be bound or affected which would materially adversely affect its ability to perform its obligations under this Agreement.

14. Compliance with Applicable Law.

No Party shall be required to take any action under this Agreement to the extent that such action would violate present or future applicable law, including, without limitation, legal or administrative provisions in the United States of America and provisions in force in Mexico or in the future enacted in Mexico to govern Telmex, its operations, governmental authorizations or the duly authorized Telmex By-laws as in effect from time to time. In the event that any Party in good faith concludes that taking an action required by this Agreement would cause it to violate applicable law, it shall give prompt and detailed notice thereof to the other Parties and shall consult in good faith with other Parties so as to arrive at a means of carrying out to the maximum extent possible the intent of this Agreement without violation.

15. Severability.

A holding by any court or other tribunal of competent jurisdiction that any provision of this Agreement is invalid or unenforceable shall not result in invalidation or unenforceability of the entire Agreement and all remaining terms shall remain in full force and effect. Following any such holding, the Parties shall negotiate in good faith new provisions to restore this Agreement as nearly as possible to its original intent and effect.

16. Relation of Parties.

Nothing herein shall cause the Parties to be treated as partners, principals and agents. None of the Parties shall have any authority to bind the others to any obligation without its prior written consent.

17. Further Assurances.

Each party hereto shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments, and documents as any other Party hereto may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

18. Indemnification.

Each Party hereto shall indemnify and hold harmless each other Party from and against all claims, liabilities, actions, suits, proceedings, assessments, judgments and losses, including interest, penalties reasonable attorneys fees, and reimbursements arising out of or resulting from the breach by such Party of any representation, warranty, covenant, obligation, or agreement of such Party contained in this Agreement or in any other associated agreement.

19. Condition.

This Agreement shall be in full force and effect upon the establishment of the Second Trust as contemplated under Article 6.

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20. Termination.

A. This Agreement is made for a term of five (5) years (the "Term") and shall automatically be renewed for successive two (2) year terms under the same terms and conditions, unless any Party shall seek to terminate it on six months notice before the end of the Term or any successive two (2) year term.

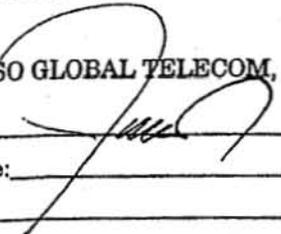
B. Before the end of its Term, this Agreement may be terminated only upon mutual consent of all the Parties. It shall also be terminated automatically upon occurrence of any of the following:

- (i) dissolution and liquidation of Telmex; or
- (ii) material breach by one of the Parties, which will allow termination as to that breaching Party or
- (iii) the conversion by any of the Parties of all its Series "AA" Shares into Series "L" Shares.

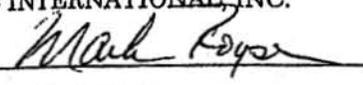
C. Upon termination of this Agreement before expiry of its term, all rights and obligations under this Agreement shall conclude and become ineffective except that the rights and obligations of any Party having accrued prior to such termination shall not be affected thereby.

Executed this 20th. day of December, 2000, by the undersigned authorized officers of the Parties.

CARSO GLOBAL TELECOM, S.A. DE C.V.

By: 
Name: _____
Title: _____

SBC INTERNATIONAL, INC.

By: 
Name: Mark Royse
Title: President



Attachment A

Matters for the Executive Committee

- Any amendment, change or other modification or restatement of the by-laws.
- The issuance, authorization, cancellation, alteration, modification, reclassification, redemption or any change in, of, or to any equity security of the Company or any of its subsidiaries.
- The transfer or other disposition (other than inventory, obsolete assets or transfers in the ordinary course of business of the Company, or any other subsidiary) of, or placing any encumbrance (other than encumbrances arising by operation of law) on, any asset of the Company or any of its subsidiaries with a value in excess of \$300,000,000 (Three Hundred Million Dollars).
- Entry into a new line of business, or the acquisition of any interest in, another person or entity by the Company, or its subsidiaries for or in an amount in excess of \$100,000,000 (One Hundred Million Dollars).
- Discussion of annual capital expenditure budget. Quarterly update at Ex-Com with discussion and consideration of deviations or requests for increases of said budget.
- Review and consideration of any transaction regarding debt, loans, or borrowing of the Company or its subsidiaries in excess of \$300,000,000 (Three Hundred Million Dollars) or any revolving credit facility of the Company or any of its subsidiaries permitting aggregate borrowing at any one time outstanding to exceed \$300,000,000 (Three Hundred Million Dollars).
- Discussion of business plan or annual budget. Ex-com review of actual results to budget and discussion of deviations or requests for increases of said budget or business plan.
- Review and consideration of the Director General of the Company.
- A merger, consolidation or other business combination effecting the Company or its subsidiaries.
- Entering into any contracts or transactions, with or for the direct or indirect benefit of an "AA" shareholder or one of its affiliates not within the policy guidelines approved by the Executive Committee.
- Discussion of Company dividend policy.
- The transfer of trade names, trademarks, and the goodwill associated therewith.

Attachment A

Matters for the Executive Committee

- Any amendment, change or other modification or restatement of the by-laws.
- The issuance, authorization, cancellation, alteration, modification, reclassification, redemption or any change in, of, or to any equity security of the Company or any of its subsidiaries.
- The transfer or other disposition (other than inventory, obsolete assets or transfers in the ordinary course of business of the Company, or any other subsidiary) of, or placing any encumbrance (other than encumbrances arising by operation of law) on, any asset of the Company or any of its subsidiaries with a value in excess of \$175,000,000 (One Hundred Seventy-Five Million Dollars).
- Entry into a new line of business, or the acquisition of any interest in, another person or entity by the Company, or its subsidiaries for or in an amount in excess of \$100,000,000 (One Hundred Million Dollars).
- Discussion of annual capital expenditure budget. Quarterly update at Ex-Com with discussion and consideration of deviations or requests for increases of said budget.
- Review and consideration of any transaction regarding net debt, new loans, or new borrowing of the Company or its subsidiaries in excess of \$150,000,000 (One Hundred Fifty Million Dollars) or any new revolving credit facility of the Company or any of its subsidiaries permitting aggregate borrowing at any one time outstanding to exceed \$150,000,000 (One Hundred Fifty Million Dollars) of new indebtedness.
- Discussion of business plan or annual budget. Ex-com review of actual results to budget and discussion of deviations or requests for increases of said budget or business plan.
- Review and consideration of the Director General of the Company.
- A merger, consolidation or other business combination effecting the Company or its subsidiaries.
- Entering into any contracts or transactions, with or for the direct or indirect benefit of an "AA" shareholder or one of its affiliates not within the policy guidelines approved by the Executive Committee.
- Discussion of Company dividend policy.
- The transfer of trade names, trademarks, and the goodwill associated therewith.

Attachment B

MANAGEMENT SERVICES AGREEMENT

Between

SBC INTERNATIONAL MANAGEMENT SERVICES, INC.

A corporation duly organized under the laws of the State of Delaware, United States of America, with headquarters in Wilmington, Delaware, USA, hereinafter "SBCI-MSI", with Permanent Establishment in Mexico. Establishment in the terms provided in the Income Tax Law with address at Parque Via 190-12th floor, Colonia Cuauhtémoc 06599 Mexico, D. F.

and

TELÉFONOS DE MEXICO, S.A. DE C.V.

A corporation duly organized under the laws of the United Mexican States, with its principal place of business in Mexico City, D.F., hereinafter "TELMEX".

DECLARATIONS

I. SBCI-MSI declares:

- a) That it is a corporation organized under the laws of the State of Delaware, United States of America.
- b) That it is mainly involved in investment in telecommunications services and their provision worldwide.
- c) That it has the resources needed to fulfill its obligations pursuant to this agreement.

II. TELMEX declares:

- a) That it is a Company organized under the laws of the Mexican Republic with place of business at Parque Vía No. 190, Col. Cuauhtémoc, Delegación Cuauhtémoc, C.P. 06599 Mexico, D. F.
- b) That its corporate purpose, generally, is to provide all types of services and products connected with telecommunications.
- c) That it is its wish to obtain the services SBCI-MSI can provide with the purpose of improving its operations.

Handwritten signatures and initials, including a large stylized signature and some smaller initials.

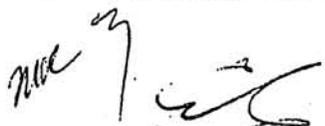
CLAUSES

FIRST. SBCI-MSI hereby agrees to provide TELMEX and its subsidiaries specialized professional counseling and advisory services in all or any one of the following areas (details of these counseling and advisory services shall be determined by mutual agreement):

1. Evaluation and counseling concerning material management decisions of both TELMEX and its subsidiaries.
2. Counseling concerning labor negotiations.
3. Counseling referring to performance of material daily operations of Telmex and its subsidiaries.
4. Counseling connected with technical, administrative and financial planning.
5. Counseling in the subject matter of introduction of systems for management and operational control.
6. Counseling in the matter of design and planning of investments required for modernization of the technical infrastructure.
7. Counseling pertaining to policies in the field of rates, business relations and regulatory efforts.
8. Counseling as to the establishment of network construction procedures.
9. Generally, counseling concerning reorganization, modernization and restructuring of TELMEX and its subsidiaries.

Hereinafter, these services shall be called "THE SERVICES". In presentation of THE SERVICES, SBCI-MSI shall only provide information approved for a general export license not requiring written guarantees as the US Department of Commerce provides.

SECOND: Only TELMEX or its Subsidiaries shall use the information and materials transferred by SBCI-MSI. These shall not be assigned, resold,

msc


licensed or in any other way transferred to another individual or entity except as provided herein. The information and materials shall be the exclusive property of SBCI-MSI, or as the case may be, of its subsidiaries, affiliates, branch offices or any other entity of the SOUTHWESTERN BELL group, subject to TELMEX's right to use the information and materials in its own operations in Mexico. Telmex acknowledges that SBCI-MSI is subject to United States Export Control laws and therefore agrees that no information or material received from SBCI-MSI or its affiliates shall be exported without SBCI-MSI's written consent.

1. The information and materials SBCI-MSI provides TELMEX (including but not limited to documents, data, drawings, designs, instructions, specifications and other information) which are classified by SBCI-MSI as confidential and marked or identified as confidential are provided to TELMEX in the understanding that these are confidential. These shall neither be reproduced nor disclosed to third parties in any way whatsoever nor used by TELMEX for any purpose other than the execution of the transactions considered herein. Especially, such documents and data shall not be available to any companies or persons other than TELMEX's employees, agents or subcontractors. TELMEX shall take the steps necessary to ensure that any such companies or persons having access to the documents or data shall keep them confidential.
2. Taking into consideration the large investment SBCI-MSI has made to develop the information and materials; the market's high competition level, the proprietary nature of the information and the risk of losing SBCI-MSI's proprietary rights because of disclosure of the information to third parties, TELMEX agrees to maintain confidential the information and materials classified by SBCI-MSI as confidential for a five-year period after termination of this agreement or at an earlier date if this information or materials become of public domain through legal means.

ARC

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[Signature]

3. Upon termination of this agreement by reason of TELMEX's non-fulfillment, TELMEX shall return to SBCI-MSI all the documents, data and other materials provided by SBCI-MSI or collected by TELMEX from the information and materials thus provided and in TELMEX's possession or under its control. TELMEX shall not be entitled to keep any copy, excerpts or translations thereof.

4. The parties agree that because TELMEX develops many activities through its subsidiaries, TELMEX is hereby authorized to disclose the information and materials, including confidential information and materials, to its subsidiaries. This clause shall be applied to TELMEX's subsidiaries when these subsidiaries receive the information or materials. TELMEX shall take the necessary steps to ensure that any subsidiary company having access to the information or materials shall comply with its obligations pursuant to this agreement. For the purposes of this agreement, TELMEX's subsidiaries shall be those corporations in Mexico in which TELMEX owns more than 50 per cent of their capital stock or any corporation where TELMEX has voting control in any shareholders' meeting. Concerning companies that cease to be TELMEX's subsidiaries, TELMEX shall take the necessary steps to ensure that companies with access to the documents or data return them to TELMEX and that these companies abide by the confidentiality obligation set forth in this clause.

THIRD: SBCI-MSI shall provide THE SERVICES with its own resources located in Mexico City. The services requiring resources from other sources or SBCI-MSI subsidiaries shall be contracted separately and additionally to this agreement.

FOURTH: Under this agreement, TELMEX agrees to pay SBCI-MSI, a total annual amount of TEN MILLION US\$ (\$10,000,000.00 US\$) plus value added tax for the initial 2-year term of this Agreement. TELMEX shall make this TEN

MILLION US\$ (\$10,000,000.00 US\$) payment to SBCI-MSI plus value added tax in a one-time payment on February 28 of each year through a bank transfer or cable transfer sent directly to the corporate bank account, payable in United States Dollars, SBCI-MSI has in Mexico or any other account specified by SBCI-MSI. In the event TELMEX requires services not included in this agreement, SBCI-MCI shall charge an additional amount to be agreed upon by the parties. Six months prior to the second anniversary of this Agreement the Parties will consult and use best efforts to agree on compensation to be paid SBCI-MSI for the remaining term of the Agreement. Six months prior to the expiration of this agreement the Parties will consult and use best efforts to agree on further services and the compensation to be paid SBCI-MSI.

In the event TELMEX makes the payments in pesos, TELMEX shall pay SBCI-MSI a sufficient amount in Mexican pesos to allow SBCI-MSI to purchase the total amount of US dollars specified in the first paragraph of this clause.

FIFTH. SBCI-MSI shall be solely responsible for all the salaries, benefits, taxes and expenses of its employees. TELMEX agrees that at the request of SBCI-MSI, TELMEX shall provide adequate information and cooperation to SBCI-MSI so that SBCI-MSI can fulfill its obligations pursuant to this agreement.

SIXTH. This agreement shall be in effect during the period starting on January 1st, 2001 and ending on December 31st, 2005.

This Agreement may be terminated by either Party by giving four (4) months written notice if SBC International Inc. or any of its Affiliates (as Affiliates is defined in the New Joint Venture Agreement) ceases to hold shares, whether directly or indirectly in TELMEX.

SEVENTH. Nothing herein shall be construed to be a license on any patent, trademark, trade name, operating practices or any other copyright property of SBCI-MSI or any holding company, controlled by or under common control with

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SBCI-MSI. TELMEX's use of any patent, copyright, trademark, trade name, operating practice or any other copyright property of SBCI-MSI or any holding company, controlled by or under common control with SBCI-MSI shall be covered by a separate license agreement. Any remuneration provided for this separate license agreement shall be in addition to the remuneration provided in this agreement.

EIGHTH: The parties shall not be liable for loss or damages resulting from any delay in fulfillment or non-fulfillment of any of their obligations herein when this delay is due to force majeure. They shall not be liable if the delay is on account of compliance with laws, regulations, orders or instructions from any governmental, federal, state or municipal authority of the United States of America or Mexico, or if it is by reason of amendment to any one of these laws, regulations, orders or instructions that might affect the obligations of the parties under this agreement.

NINTH: The parties agree to hold each other harmless from any claim or liability they might be liable to as a result of acts performed or omitted by the other party.

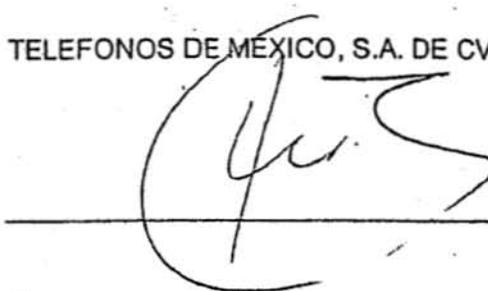
TENTH: For interpretation and fulfillment of this agreement, the parties expressly agree to submit to the laws of the territory and courts of Mexico City, D.F., waiving the application of any other law or jurisdiction of any court that might have jurisdiction over them by reason of their current or future address.

This agreement is drawn in two counterparts and undersigned in Mexico City, Federal District on January 2nd, 2001. *M.C.*

SBC INTERNATIONAL
MANAGEMENT SERVICES INC.

TELEFONOS DE MEXICO, S.A. DE CV.

M.C.
3

By: Mark Royse
President SBCI - Mexico

By: Ing. Jaime Chico Pardo
Director General

MRK *JCP*

REDACTED - FOR PUBLIC INSPECTION

ATTACHMENT IV.1.3 in response to Request IV.1

Attachment IV.1.4

In Response to Request IV.1

[TRANSLATION]

BYLAWS OF AMÉRICA MÓVIL, SOCIEDAD ANÓNIMA BURSÁTIL
DE CAPITAL VARIABLE

ARTICLES

ONE. The name of the Company shall be "AMÉRICA MÓVIL", which shall be followed by the words "SOCIEDAD ANÓNIMA BURSÁTIL DE CAPITAL VARIABLE" or its abbreviation, "S.A.B. DE C.V."

TWO. The domicile of the Company is Mexico City, Federal District; provided, however, that the Company shall be authorized to establish offices, branches or agencies in any other jurisdiction within the United Mexican States and abroad; to submit itself, for purposes of any act, contract or agreement, to any foreign laws or the laws of any other State of the United Mexican States, and to the respective jurisdiction of the competent courts thereof; to submit itself, for purposes of receiving all types of notices or service of any court or out-of-court proceedings, to any contractual domicile in the United Mexican States or abroad; and to appoint, to such or any other effect, any general or special attorneys-in-fact outside the United Mexican States, without any of the foregoing being construed as a change of domicile.

THREE. The purposes of the Company are:

- (a) To promote, incorporate, organize, exploit, acquire and participate in the capital stock or assets of all types of civil or commercial companies, partnerships and industrial, commercial, service or other entities, whether domestic or foreign, and to participate in the management or liquidation thereof.
- (b) To acquire, by any legal means, any shares of stock of and rights, participations or partnership interests in, all types of civil or commercial companies, whether upon their incorporation or at any time thereafter; to sell, transfer and negotiate with such shares, participations and partnership interests, including any other negotiable instruments; and, for as long as the shares of stock of the Company are registered with the National Securities Registry, to acquire its own shares of stock in accordance with the general provisions issued by the National Banking and Securities Commission.
- (c) To build, install, maintain, operate and exploit public telecommunication networks, in order to provide any telecommunication services and any services involving the transfer of video, voice, data or any other type of content, provided that the Company has obtained the concessions and permits required to such effect pursuant to the law.

- (d) To acquire the direct ownership of any real property, subject to the provisions of Article 27 (twenty-seven) of the Political Constitution of the United Mexican States and the Foreign Investment Law and its Regulations.
- (e) To lease, whether as lessor or lessee, all types of real property and rights thereto, and to enter into all types of legal transactions to obtain or permit the use and/or enjoyment of such property.
- (f) To acquire, sell and enter into any legal transaction relating to, any personal property, personal rights, machinery, equipment and tools, as may be necessary or convenient to achieve its corporate purposes.
- (g) To carry out any legal acts with respect to any credits or rights.
- (h) To carry out any legal acts with respect to any patents, trademarks and trade names, or to any other intellectual property rights.
- (i) To provide and receive all types of advisory and technical, scientific and administrative assistance.
- (j) To issue bonds and debentures.
- (k) To establish branches, agencies and offices within the United Mexican States or abroad.
- (l) To act as agent, representative or commission agent for any Mexican or foreign individuals or entities.
- (m) To lend or borrow money.
- (n) To accept, issue, guarantee and endorse all types of credit instruments.
- (fi) To grant all types of guaranties in respect of third party obligations, including the obligations of its subsidiaries or any unrelated domestic or foreign corporation, including through the creation of liens on real property or the pledge of any trust beneficiary rights, as may be necessary or convenient to achieve its corporate purposes.
- (o) To guarantee, by any legal means, including through the creation of liens on real property and the pledge of trust beneficiary rights, with or without consideration, the performance of the obligations of any unrelated domestic or foreign individual or entity, and to act as co-obligor of any unrelated domestic or foreign individual or entity.
- (p) To carry out any action or enter into any agreement which is related to its corporate purposes and is permitted for a limited liability company.

FOUR. The duration of the Company shall be indefinite.

FIVE. The Company is of Mexican nationality. All present and future alien shareholders of the Company formally agree with the Ministry of Foreign Affairs to be considered as Mexicans in respect of the shares of the Company acquired or held by them and in respect, of the property, rights, concessions, participations or interests held by the Company, or of the rights and obligations derived from any agreements between the Company and any Mexican authority. Accordingly, all present and future foreign shareholders of the Company agree not to invoke the protection of their own governments, under penalty, in case of breach of such agreement, of forfeiture of their participations in favor of the Mexican nation.

SIX. The capital stock of the Company shall be variable. The minimum fixed portion of the capital stock shall be \$397,873,850.45 (three hundred ninety seven million eight hundred seventy three thousand eight hundred fifty Pesos 45/100, Mex.Cy.), represented by a total of 47,744,862,098 (forty seven thousand seven hundred forty four million eight hundred sixty two thousand ninety eight) shares of which 11,717,316,330 (eleven thousand seven hundred seventeen million three hundred sixteen thousand three hundred thirty) are Series "AA" ordinary shares, without par value; 599,818,479 (five hundred ninety nine million eight hundred eighteen thousand four hundred seventy nine) are Series "A" ordinary shares, without par value; and 35,427,727,289 (thirty five thousand four hundred twenty seven million seven hundred twenty seven thousand two hundred eighty nine) are Series "L" limited voting shares, without par value, all of which are fully subscribed and paid for.

The capital stock shall be represented by Series "AA" common shares, issued in registered form, no par value, which may only be subscribed or acquired by Mexican investors and shall represent not less than 20% (twenty percent) but not more than 51% (fifty one percent) of the capital stock, and not less than 51% (fifty one percent) of the common shares; by Series "A" common shares, issued in registered form, no par value, with no ownership restrictions, which may not represent more than 19.6% (nineteen point six percent) of the capital stock or more than 49% (forty nine percent) of the common shares; and by Series "L" shares with limited voting rights and no ownership restrictions, which, together with the Series "A" shares, may not represent more than 80% (eighty percent) of the capital stock.

In the event of an increase in the capital stock, such increase shall be represented by Series "AA", Series "A" and Series "L" shares in proportion to the number of shares of each such series then outstanding. The Company may issue unsubscribed shares of any series of stock, for their delivery upon subscription.

At least 51% (fifty one percent) of the common shares of the Company, represented by Series "AA" shares, must be held by Mexican investors, and the remaining 49% (forty nine percent), represented by Series "A" shares, may be held by Mexican investors, foreign individuals, entities or economic units, or Mexican corporations where the majority of the capital stock is held by foreign investors or in which such investors have the power, by whichever means, to direct the management of the corporation.

The Series "AA" shares, together with the Series "A" shares, may not represent more than 51% (fifty one percent) of the capital stock.

The Series "L" shares shall have no ownership restrictions and, accordingly, may be held by Mexican investors, foreign individuals, entities or economic units, or Mexican corporations where the majority of the capital stock is held by foreign investors or in which such investors have the power, by whichever means, to direct the management of the corporation. The Series "L" shares shall be considered as a neutral investment within the meaning of Article 18 and other applicable provisions of the Foreign Investment Law and, thus, shall not be taken into account for purposes of determining the percentage of the capital stock that is held by foreign investors.

The Series "AA" shares, which may only be held by Mexican investors, must represent at all times at least 20% (twenty percent) of the capital stock. The Series "A" shares, together with the Series "L" shares, which have no ownership restrictions, may not represent at any time more than 80% (eighty percent) of the capital stock.

The Series "AA" shares may only be subscribed or acquired by:

(a) Mexican individuals.

(b) Mexican corporations the bylaws of which preclude foreign investors from participating therein and in which only Mexican individuals and/or Mexican entities the bylaws of which, in turn, preclude foreign investors from participating therein, may participate as shareholders.

(c) Mexican corporations the bylaws of which provide that at least 51% (fifty percent) of the capital stock must be subscribed or acquired by (i) Mexican individuals, (ii) Mexican corporations the bylaws of which preclude foreign investors from participating therein and in which only Mexican individuals and/or Mexican entities the bylaws of which, in turn, preclude foreign investors from participating therein, may participate as shareholders, or (iii) Mexican corporations in which foreign investors may hold a minority interest.

(d) Mexican credit, insurance and bonding institutions, Mexican investment companies operating under the Investment Companies Law, and any of the institutional investors referred to in Article 122 of the Securities Market Law.

(e) Trusts expressly authorized by the competent authorities to hold Series "AA" shares pursuant to the Foreign Investment Law and its Regulations, where (i) a majority of the trust beneficiary rights are held by Mexican individuals or entities that satisfy the requirements set forth in paragraphs (a), (b) and (d) above, or (ii) the Series "AA" shares held in trust represent a minority of the outstanding shares of such series and are required to be voted by the trustee in the same manner as the majority of the Series "AA" shares.

The shares of stock of the Company may not be acquired by any foreign state or government and, in the event of any such an acquisition, the relevant shares shall be rendered null and without value for the holder as of the date of acquisition.

SEVEN. Within their respective series, all shares of stock entitle their holders to the same rights. Each Series "AA" and Series "A" share of common stock entitles its holder to cast one vote during any general shareholders meeting. Series "L" shares shall be entitled to vote only with respect to the limited matters set forth in these bylaws and the relevant stock certificates. All stock certificates shall be manually signed by one (1) or more Directors or, if authorized by the board of directors, shall bear the facsimile signature(s) of such Director(s). In the latter event, an original of the relevant signatures shall be filed with the applicable Public Registry of Commerce. The stock certificates shall bear consecutive numbers, may represent one or more shares and shall have dividend coupons attached. The stock certificates, as well as any provisional certificates, must satisfy the requirements set forth in Article 125 (one hundred twenty five) of the General Law of Business Corporations and Article Five of these bylaws.

EIGHT. Series "L" shares, which shall be issued pursuant to Article 113 of the General Law of Business Corporations, shall have limited voting rights and shall be entitled to a preferred dividend. The Series "L" shares shall be entitled to vote only with respect to the following matters: the extension of the duration of the Company, the early dissolution of the Company, any change in the corporate purpose of the Company, any change of nationality of the Company, the transformation of the Company, any merger with another entity and the cancellation of the registration of the shares of stock of the Company with the National Securities Registry or any foreign stock exchange, excluding any quotation system or other market not organized as a stock exchange.

Holders of a minority of limited voting shares other than those referred to in Article 113 of the General Law of Business Corporations, representing at least ten percent of one or both series of the capital stock, shall be entitled to appoint one Director and his alternate. The appointment of the directors elected by the shareholders referred to in this paragraph may be revoked only if the appointment of all other Directors is also revoked. The right set forth herein must be exercised by means of a written notice to the Chairman or the Secretary of the board of directors, at least two business days prior to the date of the ordinary shareholders meeting that will consider the election, reelection or revocation of the appointment of the members of the board of directors.

If no appointment is made by the minority referred to in the preceding paragraph, the Series "L" shares, voting as a class during a special meeting held to that effect, shall be entitled to appoint two members of the board of directors and their respective alternates; provided, that the aggregate number of directors appointed pursuant to the preceding paragraph and this paragraph may in no event exceed the aggregate percentage of the capital stock that is represented by the Series "L" shares, divided by 10. The person authorized to such effect by the special meeting, shall give to the

Chairman of the ordinary shareholders meeting written notice of the names of the individuals appointed as members and alternate members of the board of directors by the holders of the Series "L" shares.

Lastly, the Series "L" shares shall be entitled to attend and cast one vote per share at any extraordinary shareholders meeting called to consider the amendment of Article Twelve of these bylaws, which refers to the cancellation of the registration of the shares of stock of the Company with the National Securities Registry.

All shares entitle their holders to the same financial rights and, accordingly, all shares shall be entitled to participate equally and without any distinction in any dividend, reimbursement, redemption or distribution of whatever nature, subject only to the following:

- (a) Pursuant to Article One Hundred Thirteen of the General Law of Business Corporations, no dividend may be paid in respect of the Series "AA" or Series "A" shares until after an annual dividend equal to five percent of the theoretical value of the Series "L" shares, which is \$0.00833 Mex.Cy. (eight point thirty three thousandths of one Peso) per share, or an annual dividend of \$0.00042 Mex.Cy. (four point two tenths of a thousandth of one Peso) per share, has been paid to the holders of the Series "L" limited voting shares. Such dividend shall be paid out of the retained earnings of the Company as reflected in the financial statements for its previous fiscal years, as approved by the shareholders meeting pursuant to Article Nineteen of the General Law of Business Corporations. If no dividends are approved during a given fiscal year, or if the dividends approved during a given fiscal year are less than the aforementioned five percent, the dividend referred to herein shall be paid over subsequent fiscal years in the order set forth above.
- (b) If following the payment of the dividend referred to in subparagraph (a) above to the holders of the Series "L" shares, the general shareholders meeting approves any additional dividends, the holders of the Series "AA" and the Series "A" shares shall be entitled to receive dividends in an amount equal to the dividends paid to the holders of the Series "L" shares pursuant to subparagraph (a) above during the current fiscal year or any previous year, so as to enable all shareholders to receive the same amount of dividends.
- (c) If following the payment of the dividend referred to in subparagraph (b) above to the holders of the Series "AA" and Series "A" shares, and following the receipt or scheduled receipt of dividends in the same amount by all shareholders, the Company approves any additional dividends during the then current fiscal year, then the holders of all Series "AA", Series "A" and Series "L" shares shall be entitled to receive the same amount of dividends per share and, accordingly, each Series

"L" shall receive additional dividends in the same terms, amounts and dates as the dividends paid in respect of the Series "AA" and Series "A" shares.

- (d) In the event of liquidation of the Company, the holders of the Series "L" shares shall be entitled to receive any accrued but unpaid preferred, cumulative dividends amounting to five percent of the theoretical value of such shares, as set forth in subparagraph (a) above, prior to the distribution of any available proceeds among all shares of stock. Following payment of the dividend referred to in the preceding sentence, the holders of the Series "AA" and Series "A" shares shall be entitled to receive a dividend per share equal to the dividend paid in respect of the Series "L" shares.
- (e) In the event of an increase in the capital stock through the issuance of new Series "L" shares for their subscription and payment in cash or kind, the holders of the outstanding Series "L" shares shall have the right to subscribe such new shares in proportion to their holdings, in accordance with the terms set forth in these bylaws.
- (f) The Series "L" shares shall be entitled to participate in any stock dividends approved by the Company on the same terms as the shares of all other series.

NINE. Subject to the provisions contained in these bylaws, the Series "A" shares may be exchanged for Series "L" shares on a one-for-one basis at the request of their holders, upon surrender of the corresponding stock certificates to the Treasurer of the Company for their cancellation.

TEN. [Reserved.]

ELEVEN. Subject to the provisions contained in these bylaws, the Series "AA" shares may be exchanged for Series "L" shares on a one-for-one basis at the request of their holders, upon surrender of the corresponding stock certificates to the Treasurer of the Company for their cancellation, provided that such exchange does not result in the Series "AA" shares representing less than 20% (twenty percent) of the capital stock.

TWELVE. The Company shall maintain a stock registry and shall recognize as shareholders only those persons registered as such therein. The Company shall record in such registry, at the request of any interested party and following any necessary verification, any transfer of shares carried out in accordance with these bylaws and the applicable laws.

Pursuant to Article 48 (forty eight) of the Securities Market Law and Article 130 (one hundred thirty) of the General Law of Business Corporations, in order to prevent the direct or indirect acquisition by any shareholder or third party, of any control shares within the meaning of the Securities Market Law, any acquisition of shares, other securities or instruments representing shares, or any rights with respect to shares of the

Company, through a single transaction or a series of related transactions carried out over any period of time, shall be subject to the prior approval of the board of directors, in its sole discretion, if the number of shares or the rights subject matter of the proposed acquisition represent or involve a group of related shareholders representing 10% (ten percent) or more of the voting shares of the Company.

For purposes of the above, the person or group of persons interested in acquiring 10% (ten percent) or more of the voting stock of the Company, shall be required to submit a written request for authorization to the Chairman and the Secretary of the board of directors of the Company. Such request shall include, at least, the following information: (i) a statement as to their acceptance of and intent to abide by the bylaws of the Company and the discretionary authorization process set forth in the foregoing article; (ii) the number and class of shares currently owned by the person or group of persons intending to acquire the relevant shares; (iii) the number and class of shares subject matter of the proposed acquisition; (iv) the identity and nationality of each prospective buyer; and (v) a statement as to whether they intend to acquire a significant influence in or the control of the Company within the meaning of the Securities Market Law; provided, that the board of directors may request such additional information as it may deem necessary or convenient as a basis for any decision concerning the above.

If the board of directors denies the authorization required pursuant to the foregoing article, it shall designate one (1) or more alternative buyers and such buyers shall be required to pay to the relevant party the price quoted for the shares by the stock exchange. If the shares are not registered with the National Securities Registry, then the price shall be determined in accordance with Article 130 of the General Law of Business Corporations.

The board of directors shall issue its decision within not more than 3 (three) months from the date of receipt of the relevant request or, as the case may be, the date of receipt of any additional information, taking into consideration (i) such criteria as may be in the best interest of the Company, its business activities and its long-term prospects and those of its subsidiaries, (ii) that not one (1) or more shareholders of the Company, other than the persons who intend to acquire the control thereof, is precluded from receiving any financial benefits arising as a result of the enforcement of this article; and (iii) that the acquisition of the control of the Company is not restricted in an absolute manner.

The Company may not take any action intended to render ineffective the exercise of the financial rights of the prospective buyer or which violates the provisions contained in the Securities Market Law concerning mandatory tender offers. Notwithstanding the above, any person who acquires shares, other securities or instruments representing shares, or any rights with respect to shares of the Company in violation of the provisions contained in the preceding paragraph, will be required to pay to the Company a penalty in an amount equal to the aggregate price of all the shares or other securities or instruments representing shares of the Company owned by such person, directly or indirectly, or of all the shares subject matter of the prohibited transaction. If the

transactions resulting in the acquisition of shares or other securities, instruments or rights representing more than 10% (ten percent) of the capital stock of the Company, do not provide for the payment of any consideration in exchange therefor, the amount of the penalty shall be equal to the market value of such shares or other certificates, instruments or rights if such transactions were carried out without the authorization referred to in the foregoing article.

For purposes of the requirements set forth above, for so long as the shares of stock of the Company are registered with the National Securities Registry, any transaction carried out through the stock exchange shall also be subject to the provisions contained in the Securities Market Law and the rules issued thereunder by the National Banking and Securities Commission. For clarification purposes, any transfer of shares of the Company that does not result in the acquisition of an interest equal to or greater than 10% (ten percent) of the voting stock by a single person or a group of persons acting in a concerted fashion, and which is carried out through a stock exchange, shall not be subject to the prior authorization of the board of directors of the Company.

Any person or group of persons that acquires or increases a material interest in the Company without first conducting a public offering to purchase such shares as required by the Securities Market Law, will not be entitled to exercise the corporate rights pertaining to the relevant voting shares, and the Company may refuse to register such shares in the registry referred to in articles 128 (one hundred twenty eight) and 129 (one hundred twenty nine) of the General Law of Business Corporations.

Consequently, in the event of any acquisition required to be carried out through a public tender offer pursuant to the Securities Market Law, the buyer shall be required to obtain the authorization of the board of directors prior to the commencement of the relevant offering period. In any event involving the acquisition of 10% (ten percent) or more of the shares of stock of the Company, the buyer shall be required to disclose the existence of the prior board approval process set forth herein.

In addition, any change of control of the Company shall be subject to the prior written authorization of the board of directors, as evidenced by a resolution adopted by the affirmative vote of a majority of the directors that were elected to their positions prior to the occurrence of any fact which may result in the change of control, during a board meeting held in the terms set forth in these bylaws to consider, expressly, such change.

The provisions contained in the foregoing article do not preclude, but are in addition to, any notice, communication and/or authorization required to be given, delivered or obtained by the prospective buyer pursuant to the applicable law.

For purposes of the foregoing article, the board of directors shall determine, in its own discretion, if various persons are acting as a group or in a concerted fashion. In the event of such determination, such persons shall be considered as a single person for purposes of the foregoing article.

No entity which is controlled by the Company may acquire, directly or indirectly, any shares of stock of the Company or other instruments representing such shares, unless such acquisition (i) is carried out through an investment fund, or (ii) is carried out by an entity in which the Company is the majority shareholder, for purposes of a stock option or stock purchase plan established or designed for the benefit of the officers or employees of such entity or the Company itself, provided that the number of shares so acquired may not exceed 25% (twenty five percent) of the aggregate number of shares of the Company that are then outstanding.

Pursuant to the Securities Market Law and the general rules issued by the National Banking and Securities Commission, for so long as the shares of the Company are registered with the National Securities Registry, in the event of cancellation of such registration, whether at the request of the Company or by resolution of the National Banking and Securities Commission in accordance with the law, the Company shall be required to conduct a public offer in the terms set forth in Article 108 (one hundred eight) of the Securities Market Law, to purchase all the outstanding shares of stock thereof. Such offer shall be addressed exclusively to those persons other than the members of the controlling group of shareholders, who were shareholders or holders of other securities representing such shares (i) as of the date set forth by the National Banking and Securities Commission, if the registration is cancelled by resolution thereof, or (ii) as of the date of the resolution adopted by the general extraordinary shareholders meeting, if the registration is cancelled voluntarily.

If upon completion of the public offering and prior to the cancellation of the registration of the shares of stock of the Company or other securities representing such shares with the National Securities Registry, the Company does not acquire 100% of its outstanding shares of stock, the Company shall be required to transfer to a trust, for a period of at least 6 (six) months as of the date of cancellation of the registration, such amount as may be necessary to purchase, at the same offering price, the shares held by those shareholders that did not tender their shares in connection with the offering.

The tender offer described herein shall be made for a price that is at least equal to the highest of (i) the trading price, and (ii) the book value of the shares or other securities representing such shares pursuant to the most recent quarterly report filed with the Commission and the stock exchange prior to the commencement of the offering, provided that such value may be adjusted to the extent of any changes in the criteria applicable to the calculation of the relevant information, in which case such value shall be determined based on the most recent information available to the Company, which shall be accompanied by a certificate as to the basis for the determination of the book value, issued by an authorized officer of the Company.

For purposes hereof, the trading price shall be the weighted average price per volume of all transactions carried out during the last thirty days on which the shares of the Company or other securities representing such shares were quoted prior to the commencement of the offering, within a period not to exceed 6 (six) months. If the number of days on which the shares of the Company or other securities representing

such shares were quoted during such period is less than 30 (thirty), only those days on which such shares or other securities were quoted shall be taken into consideration. If no price was quoted during such period, the book value shall apply.

The National Banking and Securities Commission, taking into consideration the financial condition of the Company, may authorize the offering price to be determined pursuant to another basis, provided that such circumstance is approved by the board of directors based on an opinion issued by the corporate governance committee, which opinion shall state the reasons that justify the use of such other price and shall be supported by a report issued by an independent expert.

In any event, the voluntary cancellation of the registration of the shares with the National Securities Registry shall be subject, in addition to the requirements set forth in the Securities Market Law and other applicable laws, to (i) the prior authorization of the National Banking and Securities Commission, and (ii) the authorization of not less than 95% (ninety five percent) of the outstanding shares during a general extraordinary shareholders meeting.

THIRTEEN. Except for any increase or reduction in the capital stock as a result of any repurchase of shares conducted pursuant to the Securities Market Law, the variable portion of the capital stock may be increased or reduced without the need to amend these bylaws, provided, only, that such increase or reduction must be approved by the ordinary shareholders meeting and the minutes of such meeting must be formalized by a notary public without the need to file the relevant public instrument with the applicable Public Registry of Commerce.

The minimum fixed portion of the capital stock may not be increased or reduced except by resolution of the general extraordinary shareholders meeting, subject to the amendment of these bylaws, unless such capital increase or reduction results from the placement of any shares previously repurchased by the Company pursuant to this article. All capital increases and reductions shall be recorded in a book maintained to such effect by the Company.

In the event of a capital increase, the shareholders shall have a preemptive right to subscribe the new shares issued or placed by the Company, in proportion to the number of shares of each series held by them. The right set forth in this paragraph must be exercised within 15 (fifteen) days from the publication of the relevant resolution in the Official Gazette of the Federation and a newspaper of general circulation in Mexico City, Federal District. Such right will not be available to the shareholders in the event of a merger, a conversion of convertible debentures, a public placement pursuant to Article 53 (fifty three) of the Securities Market Law and these bylaws, or a sale of shares previously repurchased pursuant to Article 56 (fifty six) of the Securities Market Law.

If any shares remain unsubscribed after the expiration of the period for the exercise of the preemptive rights available to the shareholders pursuant to this article, such shares may be offered to any person for their subscription and payment in the

terms and over the periods authorized by the shareholders meeting that approved the capital increase, by the board of directors or by the persons authorized to such effect by the shareholders meeting; provided, that the subscription price offered to any third party may not be lower than subscription price offered to the shareholders.

The variable portion of the capital stock may be reduced by means of a redemption of shares on a pro-rata basis among all series of shares representing such capital, a redemption of such shares as a whole, or a reimbursement of shares to the shareholders, at the price quoted by the stock exchange on the date of the capital reduction. During the shareholders meeting, the shareholders may request that the shares be redeemed on a pro-rata basis, and in the event of an impasse the shares to be redeemed shall be selected by means of a raffle conducted before a notary public or broker.

Following the selection of the shares to be redeemed, the Company will publish in the Official Gazette of the Federation and a newspaper of general circulation in Mexico City, Federal District, a notice indicating the number of shares to be redeemed, the numbers of the stock certificates that will be cancelled or exchanged as a result, and the name of the financial institution where the Company will deposit the redemption price, which shall be available to the shareholders as of the date of publication of the aforementioned notice, without interest.

Pursuant to Article 56 (fifty six) of the Securities Market Law, the Company shall be authorized to repurchase its own shares through the stock exchange, at the then prevailing market price.

Notwithstanding the provisions contained in the General Law of Business Corporations, any repurchased shares held by the Company, as well as any treasury shares, may be publicly offered without the need, in the latter event, for the relevant capital increase to be approved by the shareholders meeting or for such placement to be authorized by the board of directors.

The Company may issue unsubscribed shares of any series of its capital stock, which shall be kept in its treasury for their delivery upon subscription.

The Company may also issue unsubscribed shares to be held in its treasury for their placement among the investing public, provided that (i) the general extraordinary shareholders meeting must determine the maximum amount of the capital increase and the conditions for the relevant issue, (ii) the shares issued pursuant hereto must be placed through a public offering, subject to the prior registration of such shares with the Public Registry of Securities, and (iii) the Company must disclose the amount of its paid-in capital together with the amount of its authorized capital that is represented by treasury shares, and provided, further, that the conditions set forth to such effect in the Securities Market Law are satisfied.

FOURTEEN. [Reserved.]

GENERAL SHAREHOLDERS MEETINGS

FIFTEEN. The general shareholders meeting shall be the supreme authority of the Company, and all other corporate bodies shall be subordinated thereto.

SIXTEEN. General shareholders meetings may be ordinary or extraordinary, and shall be held in the domicile of the Company. Extraordinary shareholders meetings shall be those called to consider any of the matters set forth in Article 182 (one hundred eighty two) of the General Law of Business Corporations or the cancellation of the registration of the shares of stock of the Company with the National Securities Registry or with any foreign stock exchange in which such shares may be listed. Shareholders meetings may consider only those matters set forth in the agenda therefor.

Each year, the board of directors shall call a special meeting of the holders of the Series "L" shares to appoint the 2 (two) members of the board of directors that such holders are entitled to appoint, which meeting shall be held prior to the general annual ordinary shareholders meeting. Special meetings of the holders of the Series "L" shares called solely to appoint the aforementioned members of the board of directors, shall be governed by the provisions applicable to general ordinary shareholders meetings held upon second notice, as set forth in Article Twenty Three of these bylaws.

SEVENTEEN. A general ordinary shareholders meeting shall be held at least once a year, on such date as the board of directors may determine but within 4 (four) months following the end of each fiscal year, to consider, in addition to the matters included in the relevant agenda, the matters set forth in Article 181 (one hundred eighty one) of the General Law of Business Corporations.

In addition, pursuant to Article 47 (forty seven) of the Securities Market Law, the ordinary shareholders meeting must approve any proposed transaction by the Company or any entity controlled thereby, involving, during any given year, 20% (twenty percent) or more of the consolidated assets of the Company based on its financial information as of the end of the most recent quarter, regardless of whether such transaction is carried out through a series of simultaneous or successive acts, if by reason of their characteristics such acts may be considered as a single transaction. Holders of the Series "L" shall be entitled to vote during such shareholders meeting.

EIGHTEEN. Shareholders meetings shall be called by the board of directors, the statutory auditors, the Chairman of the board of directors, the Secretary, the members of any committee authorized to such effect, or a competent judge. Pursuant to Article 184 (one hundred eighty four) of the General Law of Business Corporations, holders of at least 10% (ten) percent of the voting shares stock, including any limited voting shares, may request that a general shareholders meeting be called to consider the matters indicated in such request.

NINETEEN. Notices of shareholders meetings shall be published in the Official Gazette of the Federation or a newspaper of general circulation in Mexico City, Federal District, at least 15 (fifteen) days prior to the date of the meeting. All the information and documents pertaining to each of the matters included in the agenda shall be made available to the shareholders, free of charge, as of the date of publication of the notice of the meeting.

TWENTY. Notices of shareholders meetings must indicate the place, date and time of the meeting, must include the agenda therefor, which agenda may not include any item designated as "general matters" or other similar designation, and must be signed by the person or persons issuing such notice.

TWENTY ONE. Shareholders meetings may be held without prior notice if all shares entitled to vote with respect to the matters to be discussed thereat are represented at the meeting.

TWENTY TWO. The quorum for an ordinary shareholders meeting held upon first notice shall be one-half of the shares of common stock, and the resolutions of such meeting shall be valid if approved by a majority of the shares present.

TWENTY THREE. If an ordinary shareholders meeting is not held on the date set therefor, a second notice disclosing such circumstance shall be published, setting a date not earlier than 7 (seven) calendar days from the date set in the first notice, and the new meeting shall take action with respect to the matters set forth in the agenda, by majority of votes, regardless of the number of common shares present.

TWENTY FOUR. The quorum for an extraordinary shareholders meeting held upon first notice to consider any matter with respect to which the holders of the Series "L" shares are not entitled to vote, shall be three-quarters of the common shares entitled to vote with respect to such matters, and the resolutions of such meeting shall be valid if approved by a majority of the common shares present that are entitled to vote thereon.

The quorum for an extraordinary shareholders meeting held to consider any matter with respect to which the holders of the Series "L" shares are entitled to vote, shall be three-quarters of the outstanding shares of stock, and the resolutions of such meeting shall be valid if approved by a majority of the outstanding shares of stock.

The quorum for an extraordinary shareholders meeting held upon second or subsequent notice to consider any matter with respect to which the holders of the Series "L" shares are not entitled to vote, shall be a majority of the common shares entitled to vote with respect to such matters, and the resolutions of such meeting shall be valid if approved by a majority of the outstanding shares that are entitled to vote thereon.

The quorum for an extraordinary shareholders meeting held upon second or subsequent notice to consider any matter with respect to which the holders of the Series

"L" shares are entitled to vote, shall be a majority of the outstanding shares of stock, and the resolutions of such meeting shall be valid if approved by a majority of the outstanding shares of stock present.

The resolutions of an extraordinary shareholders meeting held upon first or subsequent notice to consider any matter with respect to which the holders of the Series "L" shares are entitled to vote, shall be valid taken if approved by the majorities set forth in the preceding paragraphs, including a majority of the outstanding Series "AA" and Series "A" shares.

Subject to the terms and conditions set forth in Article 199 (one hundred ninety nine) of the General Law of Business Corporations and Article 50 (fifty) of the Securities Market Law, any holder of at least 10% of the voting shares present at a meeting, including any holder of limited voting shares, may request that voting on any matter with respect to which such shareholder does not consider himself to be sufficiently informed, be deferred.

TWENTY FIVE. In order to be entitled to attend and vote during a shareholders meeting, shareholders shall be required to deposit with the Secretary of the Company, at least one (1) day prior to the shareholders meeting, their stock certificates or, as the case may be, any provisional certificates, and to obtain therefrom an admission pass. Stock certificates may also be deposited with a Mexican or foreign credit institution or a Mexican brokerage firm, and in such event the shareholders shall be required to submit to the Secretary of the Company, as a condition for the issuance of the admission pass, evidence of the deposit of such stock certificates with such institution and evidence of the agreement of the relevant credit institution, brokerage firm or securities depository institution to hold in deposit such stock certificates until it has received a notice from the Secretary of the board of directors to the effect that the relevant shareholders meeting has been held. The Secretary of the Company shall deliver to the relevant shareholders and admission pass stating the name of the shareholder, the number of shares deposited thereby and the number of votes that such shareholder is entitled to cast.

TWENTY SIX. Shareholders may be represented at any meeting thereof by attorneys-in-fact appointed by proxy, provided that the members of the board of directors may not serve as attorneys-in-fact.

Pursuant to Article 49 (forty nine) of the Securities Market Law, shareholders may also be represented at any meeting thereof by holders of powers of attorney granted through the special forms prepared to such effect by the Company, which forms shall contain (i) the name of the Company and a copy of the agenda for the meeting, provided that such agenda may not include under the caption "general matters" any matter referred to in the applicable law, and (ii) a blank space for the inclusion of any instructions from the shareholder to the attorneys-in-fact.

The Secretary of the board of directors shall ensure that the provisions contained in the preceding paragraph are complied with, and shall submit to the shareholders meeting a report thereon, which circumstance shall be evidenced in the minutes of the relevant meeting.

TWENTY SEVEN. Shareholders meetings shall be presided by the Chairman of the board of directors or, in his absence, by one (1) Vice Chairman or, in the absence of both such persons, by one (1) of the Mexican directors present or, in the absence of all such persons, by the person appointed by the attendants. The Secretary or the Alternate Secretary of the board of directors, or in the absence of such two (2) persons, the person appointed by the chairman of the meeting, shall act as secretary of the meeting.

TWENTY EIGHT. Upon commencement of the shareholders meeting, the chairman thereof shall appoint two (2) tellers of inspection who shall determine the number of shares present and shall prepare a list of attendance containing the names of the shareholders present or represented at the meeting and the number of shares deposited by each of them prior to the meeting.

TWENTY NINE. If the time allotted for a shareholders meeting at which a quorum is present, is not sufficient to consider all the matters for which the meeting was called, the meeting may be adjourned and continued at a later date without further notice, provided that such adjournment must be approved by the majority required to take action at such meeting.

The resolutions adopted during the continuance meeting shall be valid if approved by the majority required pursuant to these bylaws.

THIRTY. The proceedings of the shareholders meetings shall be evidenced in the minutes thereof, which shall contain the resolutions approved thereby, shall be recorded in the relevant book of minutes and shall be signed by the chairman and the secretary of the meeting.

THIRTY ONE. Any holder of at least 20% (twenty percent) of the voting shares of stock, including any holder of limited voting shares, may have any resolution adopted by the general shareholders meeting with respect to any matter on which such holder was entitled to vote, set aside by a court through the procedures set forth in Articles 201 (two hundred one) and 202 (two hundred two) of the General Law of Business Corporations.

Pursuant to the Securities Market Law, any holder of at least 5% (five percent) of the outstanding shares of stock shall have the right to bring any directors' liability action.

MANAGEMENT

THIRTY TWO. The management of the Company shall be entrusted to a board of directors and a Chief Executive Officer, who shall have the duties set forth in the Securities Market Law.

The board of directors shall consist of not less than 5 (five) and not more than 21 (twenty one) directors of which at least 25% (twenty five percent) shall be appointed by the ordinary shareholders meeting. The shareholders meeting may also appoint up to an identical number of alternate directors, in which case it shall establish the rules pursuant to which the alternate directors may replace the directors; provided, that if no such rules are established by the shareholders meeting, each alternate director shall be authorized to replace any director, except that the alternate directors appointed by the holders of the Series "L" shares shall be authorized to replace only any of the directors appointed by such holders, and except, further, that the alternate directors appointed by any minority shareholders shall be authorized to replace only the directors appointed by such shareholders. A majority of the directors and alternate directors must be Mexican citizens and must be appointed by Mexican shareholders. The directors and alternate directors shall be appointed by a majority of the Series "AA" and Series "A" shares, and the other 2 (two) directors and alternate directors shall be appointed by a majority of the Series "L" shares.

The members of the board of directors may or may not be shareholders and must satisfy the requirements set forth in the Securities Market Law. Any shareholder or group of shareholders representing at least 10% (ten percent) of the common shares shall be entitled to appoint one (1) director and one (1) alternate director, in which case such shareholder or group of shareholders shall not be entitled to vote with respect to the appointment of the directors and alternate directors required to be appointed by the majority of the shareholders. If any shareholder or group of shareholders representing at least 10% (ten percent) of the common shares, exercises the right to appoint one (1) director and his alternate, then the majority of the shareholders shall be entitled to appoint only the remaining number of directors.

The board of directors shall appoint a Secretary, who will not be a board member and will have the duties and responsibilities set forth in the Securities Market Law.

The directors shall be appointed to a one (1) year term, but shall continue in their positions for up to an additional 30 (thirty) day period following the expiration of such term if their successors have not been appointed or have not taken office, without being subject to Article 154 (one hundred fifty four) of the General Law of Business Corporations. The directors may be reelected and shall receive such compensations as the general shareholders meeting may determine.

Alternate directors shall replace the corresponding directors in the event of absence.

In the events set forth in the preceding paragraph and in Article 155 (one hundred fifty five) of the General Law of Business Corporations, the board of directors may appoint provisional directors without the need for shareholder authorization. Shareholders may ratify the appointment of any such director or appoint a replacement director during the first shareholders meeting held after such occurrence.

The Company must satisfy the requirements of the Securities Market Law as to the composition, authority, and operation of the board of directors, including, without limitation, the rules governing the appointment and certification of the independent directors.

For the performance of its duties, the board of directors shall receive support from one (1) or more committees. Pursuant to Article 25 (twenty five) of the Securities Market Law, the corporate governance and audit committee(s) shall consist of at least 3 (three) members appointed by the board of directors, all of whom must be independent directors.

The appointment of the independent directors shall be subject to Article 26 of the Securities Market Law.

THIRTY THREE. Irrespective of the Company's obligation to comply with the provisions set forth in the preceding article, and for so long as such article remains in effect, no failure to comply with such article, for whatever reason, shall entitle any third party to challenge the validity of any legal act, contract, understanding, agreement or other transaction executed by the Company through its board of directors or other intermediate corporate body, representative or attorney-in-fact thereof, and no such provision shall be construed as constituting a requirement for the validity or legal existence of any such act.

For purposes of the Securities Market Law, and considering that the members of the board of directors are appointed by the shareholders meeting and, consequently, are deemed for all legal purposes to have obtained all requisite waivers from the Company, no such person shall be deemed to have taken advantage of or exploited a business opportunity pertaining to the Company or to any entity controlled by the Company or in which the Company exercises a significant influence, if such person, directly or indirectly, carries out any act within the ordinary course of the Company's business or the business of any entity controlled by the Company or in which the Company exercises a significant influence.

THIRTY FOUR. Unless otherwise determined by the shareholders meeting, the directors, alternate directors, committee members, executive officers and managers shall not be required to post any guaranty in respect of the liabilities in which they may incur during the performance of their duties.

Pursuant to the Securities Market Law, the obligation of the members of the board of directors, the secretary or the alternate secretary, to indemnify the Company or any entity controlled by the Company or in which the Company exercises a significant influence, for any damages and losses suffered thereby as a result of a breach of the directors' duty of care in connection with any act carried out or any resolution adopted by the board of directors, any resolution not adopted by the board of directors due to the inability to legally hold a meeting thereof and, generally, any other breach of such duty of care, shall in no event exceed, in one or more instances, an amount equal to the aggregate net fees paid to such persons by the Company, any entity controlled by the Company or any entity in which the Company exercises a significant influence, during the previous 12 (twelve) month period; provided, that the limit set forth herein with

respect to such liability shall not be applicable in the event of any act involving bad faith or which violates the provisions of the Securities Market Law and other applicable laws. The Company shall indemnify and hold its executive officers, directors, secretary and alternate secretary free and harmless from any liability in which they may incur with third parties as a result of the performance of their duties, and shall pay the amount of any indemnification for any damages suffered by any third party as a result of such performance, except in the event of any act involving bad faith or which violates the provisions of the Securities Market Law of other applicable laws.

THIRTY FIVE. The board of directors shall meet at least every 3 (three) months, either in Mexico City or in such other jurisdiction within the United Mexican States as may be designated for such purpose, on such dates as the board of directors itself may determine. Meetings of the board of directors may be called by at least 25% (twenty five percent) of the members of the board of directors or of any committee thereof, by the chairmen thereof, or by the secretary or the alternate secretary.

In addition to the regular meetings of the board of directors referred to above, the chairman or at least 25% (twenty five percent) of the members of the board of directors or any committee thereof, the secretary or the alternate secretary, may at any time call a meeting of the board of directors by written notice to its members at least 5 (five) days prior to the date of the meeting.

Notices of the meetings of the board of directors shall contain the agenda for the relevant meeting. The quorum for any meeting of the board of directors shall be a majority of the directors, provided that the majority of the directors present must be Mexican citizens, and action shall be validly taken by a majority of the directors present. In the event of a tie, the chairman of the board of directors shall cast the deciding vote.

Any action with respect to any of the matters set forth in paragraphs (1) through (12) of Article Forty One of these bylaws shall be subject to the favorable opinion of the executive committee. To such effect, the executive committee shall be required to issue its opinion within 10 (ten) days following the request of the board of directors, the chairman of the board or the chief executive officer of the Company. If the executive committee does not issue an opinion within the aforementioned term, or if the members thereof are unable to reach an agreement with respect to the relevant matter during a meeting of such committee, then the board of directors shall take action on such matter without the opinion of the executive committee.

Notwithstanding the above, if a majority of the members of the board of directors or any other corporate body, or the chief executive officer of the Company, determines in good faith that action on a matter subject to the favorable opinion of the executive committee is of the essence and cannot wait until the next scheduled meeting thereof, then action on the specific matter may be taken by the board or directors or any other corporate body, or by the chief executive officer of the Company, without the opinion of the executive committee.

THIRTY SIX. The proceedings of the meetings of the board of directors shall be evidenced in the minutes thereof, which shall contain the resolutions approved thereby, shall be recorded in the relevant book of minutes and shall be signed by the chairman and the secretary of the meeting.

Pursuant to the last paragraph of Article 143 (one hundred forty three) of the General Law of Business Corporations, action by the board of directors or any committee thereof may be taken without a meeting. Any resolution adopted without a meeting must be unanimously approved by all members of the relevant corporate body or, in the event of permanent absence or incapacitation of any such member, with the consent of the relevant alternate member, and shall be further subject to the following provisions:

- I. The chairman, acting either in his own discretion or at the request of any 2 (two) members of the board of directors or any committee thereof, shall give to all the members and alternate members of the relevant corporate body notice, by oral or written communication or by such other means as he may deem convenient, of any action proposed to be taken without a meeting, explaining the reasons thereof. The chairman shall deliver to all such members, upon their request, all such documents and notes as such members may require. In giving the notices referred to herein, the chairman may seek the assistance of any 1 (one) or more members of the board of directors or the relevant committee, or of the secretary or the alternate secretary.
- II. If all members of the board of directors or relevant committee, or, as the case may be, all the alternate members whose vote is required, give to the chairman or his assistants oral notice their consent for the adoption of the resolutions submitted to their consideration, such persons shall be required to confirm such consent in writing within 2 (two) business days from the date on which they gave oral notice of their consent, in the manner set forth in the following subparagraph. Such written confirmation shall be delivered to the chairman and the secretary by mail, telex, facsimile, telegram, courier service or any other means that ensures its delivery within the next 2 (two) business days.
- III. For purposes of the preceding subparagraph, the chairman, either directly or through his assistants, shall deliver to each member of the relevant corporate body an official draft of the minutes containing the resolutions to be adopted without a meeting, together with such other documents as he may deem convenient, and following any necessary revisions such official draft, duly signed by each member of the board of directors or, as the case may be, the relevant committee, shall be returned to the chairman and the secretary.
- IV. Upon receipt by the chairman and the secretary of the written confirmations of all the members of the relevant corporate body, the

chairman and the secretary shall immediately record in the corresponding book of minutes the minutes containing all the relevant resolutions, and shall both sign such minutes. The minutes shall be dated as of the date on which the oral or written consent of all the members was obtained, regardless of whether or not all such consents had been confirmed in writing as of such date; provided, that upon their receipt all such written confirmations shall be filed in the records maintained by the secretary of the Company. Such records shall also include the written comments to the draft minutes by the audit committee, if any.

TWENTY SEVEN. Unless the shareholders meeting that appointed the members of the board of directors shall have also appointed the persons referred to herein, the board of directors, at its first meeting following such shareholders meeting or at any subsequent meeting, shall designate from among its members a chairman, who must be a Mexican citizen, and may also designate one or more vice chairmen, a secretary and an alternate secretary, provided that the secretary and the alternate secretary may not be members of the board of directors. Except for the positions of chairman, vice chairman, secretary and alternate secretary, all positions may be held by the same person. In the event of temporary or permanent absence of the chairman, such person shall be replaced by one (1) vice chairman who is a Mexican citizen, and in the event of temporary or permanent absence of the secretary, such person shall be replaced by the alternate secretary or, if no person has been appointed to such position, by such person as the board of directors may determine.

POWERS AND AUTHORITY OF THE BOARD OF DIRECTORS

THIRTY EIGHT. The board of directors shall have the broadest authority to manage the affairs of the Company, with general powers of attorney for lawsuits and collections, for administration matters and for acts of domain, without any limitation and with all the general powers and those special powers required to be expressly contained in a special clause pursuant to the first 3 (three) paragraphs of Article 2,554 (two thousand five hundred fifty four) of the Civil Code for the Federal District, including the powers referred to in Article 2,587 (two thousand five hundred eighty seven) thereof. Such powers shall include, but not be limited to, the following:

- I. Power to represent the Company before all types of federal, state or municipal authorities; to represent the Company before all types of individuals or entities; to represent the Company before any federal or local labor board and labor arbitration board, with express powers for purposes of Sections II and III of Article 692 (six hundred ninety two) and articles 786 (seven hundred eighty six) and 876 (eight hundred seventy six) of the Federal Labor Law, with power to file and argue any motion in the name and on behalf of the Company; to submit to arbitration; to agree to settlements; to enter into any agreements; to file criminal claims and complaints; to file and withdraw from any action or recourse, including *amparo* proceedings; to represent the Company before all types of

judicial, administrative or other authorities having jurisdiction over labor and employment matters; to file and withdraw from any *amparo* proceedings; to file criminal claims and, if applicable, grant pardons in connection therewith; to file criminal complaints and cooperate with the Attorney General's office; to withdraw from any proceedings; to agree to any settlement; to submit to arbitration; to file and argue all types of motions; to file petitions for the recusation of judges; and to receive any payments.

- II. Power to issue, subscribe, endorse and guarantee all types of credit instruments.
- III. Power to appoint the officers, employees, managers and attorneys-in-fact of the Company, and to determine the duties, obligations and compensations thereof.
- IV. Power to establish or close any offices, branches or agencies.
- V. Power to acquire any shares, partnership interests or securities issued by third parties, and to exercise the voting rights pertaining thereto.
- VI. Power to enter into, amend, terminate and rescind all types of agreements.
- VII. Power to accept, on behalf of the Company, any mandate from any Mexican or foreign individuals or corporations.
- VIII. Power to open bank accounts and withdraw deposits therefrom, appoint authorized signatories therefor, make deposit therein and withdraw funds therefrom, subject to such limitations as the board of directors may determine.
- IX. Power to grant all types of real, personal and trust guaranties in respect of the obligations of the Company; to act as co-obligor, guarantor and generally, obligor in respect of the obligations of any third party; and to encumber real property and convey in trust any assets as security for such obligations.
- X. Power to grant, substitute and delegate general and special powers of attorney for acts of domain, provided that such powers shall in all events be exercised jointly by at least two individuals; to grant, substitute and delegate general and special powers of attorney for administration matters and for lawsuits and collections, provided that such powers shall not supersede the powers of the board of directors; and to revoke any powers of attorney.

- XI. Power to grant powers of attorney to issue, subscribe, endorse and guarantee all types of credit instruments; provided, that the power to guarantee credit instruments shall in all events be exercised jointly by at least two individuals.
- XII. Power to call shareholders meetings and enforce the resolutions thereof.
- XIII. Powers pursuant to the Securities Market Law.
- XIV. Power to carry out any legal acts and take such other action as may be necessary or convenient in the pursuit of the corporate purposes.

CHAIRMAN AND VICE CHAIRMEN

THIRTY NINE. The chairman, who must be a Mexican citizen, shall preside over all shareholders meetings and meetings of the board of directors; shall represent the board of directors; shall enforce the resolutions adopted by the shareholders meeting and the board of directors, unless such bodies shall have appointed one (1) or more special delegates for such purpose; and shall oversee the affairs of the Company and ensure the compliance of the provisions contained in these bylaws, in any applicable regulations, in the resolutions adopted by the shareholders meeting and the board of directors or in the law, and shall, together with the secretary, sign the minutes of all shareholders meetings and meetings of the board of directors. In the event of temporary or permanent absence of the chairman, the duties thereof shall be fulfilled by 1 (one) of the vice chairmen or, in the event of absence of a vice chairman, by such person as the board of directors may appoint to temporarily replace the chairman, provided that such person must be a Mexican citizen and must have been appointed by the holders of a majority of the common shares.

SECRETARY

FORTY. The secretary shall have such powers and authority as the board of directors may determine, and shall keep the books of minutes and record in such books the minutes of all shareholders meetings and meetings of the board of directors, which shall be signed by such secretary and the chairman. In the event of his absence, the secretary shall be replaced by the alternate secretary or, in the event of absence of an alternate secretary, by such person as the chairman may appoint to such effect.

EXECUTIVE COMMITTEE

FORTY ONE. The shareholders meeting, by the affirmative vote of a majority of the common shares, shall appoint from among the members of the board of directors an executive committee formed by such number of members and their alternates as the shareholders meeting may determine. A majority of the members of the executive committee must be Mexican citizens and must be appointed by the holders of a majority of the common shares.

The executive committee shall be subordinated to the board of directors and shall have the powers and authority set forth in Article Thirty Six of these bylaws, except for the powers set forth in Section XIII thereof; provided, that the powers and authority of the executive committee shall not include those powers and authority expressly reserved to any other corporate body pursuant to the law of these bylaws. The executive committee shall not be authorized to delegate in full to any 1 (one) or more attorneys-in-fact, the powers and authority vested therein. Subject to the provisions contained in these bylaws, the executive committee shall review and approve or, as the case may be, submit to the board of directors for its approval, any proposed action with respect to the following matters:

1. Any amendment, change or other modification in full of these bylaws.
2. Any issuance, authorization, cancellation, amendment, modification, reclassification and redemption of or change in any securities of the capital stock of the Company or any of its subsidiaries.
3. Any sale or other transfer (other than any sale or transfer of inventories or obsolete assets, or any transfer made in the ordinary course of business of the Company or any of its subsidiaries) of, or the creation of any lien (other than any lien mandated by law) on, any asset of the Company or its subsidiaries with a value in excess of \$175 (one hundred seventy five) million U.S. dollars or its equivalent in Mexican pesos.
4. Any new line of business, or any acquisition by the Company or any of its subsidiaries of any interest in any other entity or corporation, with a value in excess of \$100 (one hundred) million U.S. dollars or its equivalent in Mexican pesos.
5. The annual budget for capital expenditures of the Company.
6. Any transaction with respect to any additional net debt of or any new loan or financing to the Company or its subsidiaries in excess of \$150 (one hundred fifty) million U.S. dollars or its equivalent in Mexican pesos; or any new revolving credit facility which enables the Company or its subsidiaries to borrow, through a single disposition, an aggregate amount of funds in excess of \$150 (one hundred fifty) million U.S. dollars or its equivalent in Mexican pesos;
7. The annual business plan or budget of the Company;
8. The appointment of the chief executive officer of the Company;
9. Any merger or similar transaction involving the Company or its subsidiaries;
10. The execution of any agreement or transaction with or for the benefit of any holder of Series "AA" shares or any Affiliate thereof, which is not included in the policies issued by the executive committee;

11. The dividend policy of the Company; and

12. Any transfer of any material trade name or trademark, or of the goodwill attributable thereto.

Action with respect to the aforementioned matters may be taken either by the board of directors or by the executive committee.

The quorum for a meeting of the executive committee shall be a majority of its members, provided that such majority includes a majority of the members appointed by the Mexican shareholders, and action shall be validly taken by a majority of the members present. The members of the executive committee shall make their best efforts to reach a consensus on the matters submitted to such committee for its consideration.

In the event of a tie, the chairman of the committee shall cast the deciding vote.

The executive committee shall meet as frequently as necessary to be constantly involved in the matters entrusted thereto. The executive committee shall meet whenever it may deem convenient, but shall always meet prior to each meeting of the board of directors. Notice of the meetings of the executive committee shall be given (by facsimile and courier service) to all members thereof at least 5 (five) days prior to the date set for the meeting; provided, that such period may be reduced or the notice requirement waived with the consent of all such members. Such notice shall include, among other things, the agenda for the meeting, with reasonable detail of all the matters to be considered, and shall be accompanied by copies of the documents to be discussed at the meeting. In the event that a matter not included in the relevant agenda is brought before the executive committee, and that the members of the committee have not received all the necessary documents pertaining to such matter, if such members are unable to reach a consensus with respect to such matter, then action on such matter shall be postponed until the next scheduled meeting of the committee, or until approved by the unanimous consent of all the members, or until all of the aforementioned requirements have been satisfied.

Notwithstanding the above, if a majority of the members of the executive committee determines in good faith that action on a matter submitted thereto is of the essence and cannot wait until the next scheduled meeting thereof, then action on the specific matter may be taken by simple majority of the members present and shall be discussed with all other members prior to any formal action, and the opinion of each member shall be included in the minutes of the next scheduled meeting of the executive committee.

The executive committee shall issue its own operating rules based upon these bylaws, and such rules shall be subject to the approval of the board of directors.

AUDIT COMMITTEE

FORTY TWO. The oversight of the performance, conduction and execution of the Company's business shall be entrusted to the board of directors, which for such

purposes shall act through an audit committee and an external auditor. The Company shall not be subject to Section V of Article 91 (ninety one), Article 164 (one hundred sixty four), Article 171 (one hundred seventy one), to the last paragraph of Article 172 (one hundred seventy two), Article 173 (one hundred seventy three), and Article 176 (one hundred seventy six) of the General Law of Business Corporations.

The chairman of the audit committee shall be appointed and/or removed exclusively by the general shareholders meeting, shall not be authorized to also act as chairman of the board of directors, shall be selected based on his experience, recognized ability and professional reputation, and shall prepare and submit to the board of directors an annual report with respect to the activities of such committee. Such report shall include, at least, the following information: (i) with respect to the Company's corporate practices, (a) any observations concerning the performance of the executive officers, (b) any related party transactions carried out during the year, including a detailed description of the most relevant such transactions, (c) the compensation and overall benefits package of the chief executive officer, and (d) any waiver granted by the board of directors pursuant to Section III (f) of Article 28 (twenty eight) of the Securities Market Law, in order for any director, executive officer or other person in a commanding position to take advantage of a business opportunity for his own benefit or the benefit of third parties; (ii) with respect to the Company's audit practices, (a) the status of the internal control and internal audit systems of the Company and any entity controlled thereby, including, if applicable, a description of any deficiency therein, any deviation therefrom, and any aspect thereof that requires improvement, taking into consideration the opinions, reports, communications and certifications issued by the external auditor, and the reports issued by any independent expert who may have rendered services during the year, (b) a description of and progress report on the preventive and corrective measures implemented as a result of any investigation concerning the violation of the operating and accounting guidelines and policies of the Company or any entity controlled thereby, (c) an evaluation of the performance of the entity responsible for the external audit services, and of the external auditor in charge thereof, (d) a description of and the amount represented by any additional or supplemental services provided by the entity responsible for the external audit duties and by any independent experts, (e) the principal results of the review of the financial statements of the Company and all entities controlled thereby, (f) a description and the effects of any change in the accounting policies approved during the year to which the report is related, (g) any measures implemented as a result of any significant comments received from the shareholders, executive officers, employees and, generally, third parties with respect to the accounting, internal controls and other matters associated with the internal or external audit duties, or of any complaint regarding any action on the part of the management which is deemed irregular, and (h) a status report regarding the implementation of the resolutions adopted by the shareholders meeting and the board of directors.

For purposes of the preparation of the reports referred to in this article, and of the opinions referred to in Article 42 (forty two) of the Securities Market Law, the audit committee shall request the opinion of the executive officers of the Company and, in the event of a discrepancy of opinions therewith, shall include a description of such differences in the aforementioned reports and opinions.

In addition, the audit committee shall be responsible for:

- (a) Providing to the board of directors opinions with respect to the matters entrusted thereto pursuant to the Securities Market Law.
- (b) Requesting the opinion of independent experts in such instances as it may deem it convenient to adequately perform its duties or as required by the Securities Market Law and/or any general rules.
- (c) Calling shareholders meetings and requesting the inclusion in the agenda therefor, of any matter as it may deem convenient.
- (d) Providing assistance to the board of directors in connection with the preparation of the reports referred to in Section IV (e) and (f) of Article 28 (twenty eight) of the Securities Market Law.
- (e) Evaluating the performance of the entity responsible for the external audit duties, and analyzing the reports and opinions issued and signed by the external auditor. To such effect, the committee may require the attendance of such auditor in such instances as it may deem convenient, provided that it shall meet with the external auditor at least one a year.
- (f) Discussing the Company's financial statements with the individuals responsible for their preparation and review and, based on such discussions, recommending to the board of directors their approval or rejection.
- (g) Submitting to the board of directors a report concerning the status of the internal control and internal audit systems of the Company and all entities controlled thereby, including any irregularities detected therein.
- (h) Preparing the opinion referred to in Section IV (c) of Article 28 (twenty eight) of the Securities Market Law, with respect to the contents of the report submitted by the chief executive officer, and submitting such opinion to the board of directors for its subsequent review by the shareholders meeting, taking into consideration, among others, the report of the external auditor. Such opinion shall state, at least:
 1. If the accounting and information policies and criteria followed by the Company are adequate and sufficient in light of its specific circumstances.
 2. If such policies and criteria have been applied consistently in the information submitted by the chief executive officer.

3. If as a result of subparagraphs 1 (one) and 2 (two) above, the information submitted by the chief executive officer reasonably reflects the Company's financial condition and results.
- (i) Providing assistance to the board of directors in connection with the preparation of the reports referred to in Section IV (d) and (e) of Article 28 (twenty eight) of the Securities Market Law, with respect to the principal accounting and information policies and criteria, and the report with respect to the transactions and activities carried out thereby during the performance of its duties under these bylaws and the Securities Market Law.
 - (j) Ensuring that the transactions referred to in Section III of Article 28 (twenty eight) and Article 47 (forty seven) of the Law, are carried out in accordance with the provisions contained therein and the policies derived therefrom.
 - (k) Requesting the opinion of independent experts in such instances as it may deem it convenient to adequately perform its duties or as required by the Securities Market Law and/or any general rules.
 - (l) Requesting from the executive officers and employees of the Company or any entity controlled thereby, any report with respect to the preparation of the financial or other information thereof as it may deem convenient for the performance of its duties.
 - (m) Investigating any potential violation of the transactions, operating guidelines and policies, internal control and internal audit systems and accounting systems of the Company or any entity controlled thereby, and reviewing any documents, records and other evidence thereof to such level and extent as it may deem convenient to oversee the above.
 - (n) Receiving comments from the shareholders, directors, executive offices, employees and, generally, third parties with respect to the matters referred to in the preceding paragraph, and implementing any actions as it may deem appropriate in response to such comments.
 - (o) Requesting periodic meetings with the executive officers, and requesting therefrom any information with respect to the internal control and internal audit of the Company or any entity controlled thereby.
 - (p) Reporting to the board of directors any significant deviation encountered thereby during the course of its duties and, if applicable, any corrective measures adopted or proposed to be adopted thereby.
 - (q) Overseeing the execution by the chief executive officer, of the resolutions adopted by the shareholders meeting and the board of directors in accordance with the instructions provided thereby.

- (r) Overseeing the establishment of internal procedures and controls so as to ensure that all acts and transactions carried out by the Company and the entities controlled thereby are in compliance with the applicable laws, and implementing procedures to facilitate such oversight.
- (s) Any other duties provided for in the Securities Market Law or these bylaws.

EXTERNAL AUDITOR

FORTY THREE. The Company shall have an external auditor who may be called to participate in and address the meetings of the board of directors, without being entitled to vote thereat, and who shall refrain from participating in any discussion regarding any item of the agenda with respect to which he may have a conflict of interest or which may affect his independent status.

The external auditor of the Company shall issue a report in connection with the financial statements prepared in accordance with generally accepted audit procedures and accounting principles.

CHIEF EXECUTIVE OFFICER

FORTY FOUR. The performance, conduction and execution of the business activities of the Company and its controlled entities shall be entrusted to the chief executive officer, subject to the strategies, policies and guidelines approved by the board of directors.

For purposes of the performance of his duties, the chief executive officer shall have broad powers of attorney for administration matters and lawsuits and collections, including any power that must be expressly provided for through a special clause. For purposes of any acts of domain, the chief executive officer shall have such powers of attorney, which shall be subject to such terms and conditions, as the board of directors of the Company may determine.

Without prejudice of the above, the chief executive office shall be responsible for:

- I. Submitting to the board of directors, for its approval, the business strategies of the Company and the entities controlled thereby, based on the information received therefrom.
- II. Executing the resolutions of the shareholders meeting and the board of directors in accordance with the instructions provided thereby.
- III. Recommending to the committee responsible for performing the audit duties, the internal control and internal audit guidelines of the Company and the entities controlled thereby, and implementing any guidelines approved by the board of directors of the Company.

- IV. Signing, together with the executive offices responsible for its preparation within their respective duties, any relevant information concerning the Company.
- V. Disclosing any relevant information or event that is required to be publicly disclosed pursuant to the Securities Market Law.
- VI. Complying with the provisions applicable to any transaction involving the acquisition and placement of the Company's own shares of stock.
- VII. Implementing, either directly or through an authorized representative, any corrective measure or liability action within the scope of its duties or as directed by the board of directors.
- VIII. Verifying the payment of all capital contributions by the shareholders.
- IX. Complying with the requirements set forth in the law and these bylaws with respect to the payment of dividends to the shareholders.
- X. Ensuring that all of the Company's accounting, record keeping and information systems are adequately maintained.
- XI. Preparing and submitting to the board of directors the report referred to in Article 172 (one hundred seventy two) of the General Law of Business Corporations, except as provided in subparagraph (b) thereof.
- XII. Establishing internal procedures and controls so as to ensure that all acts and transactions carried out by the Company and the entities controlled thereby are in compliance with the applicable laws, following up on the results of such internal procedures and controls and, if necessary, adopting any necessary measures in connection therewith.
- XIII. Bringing liability actions pursuant to the Securities Market Law and these bylaws, against any related or third party alleged to have caused a damage to the Company or any entity controlled by the Company or in which the Company exercises a significant influence, unless the board of directors, based on the opinion of the audit committee, shall determine that such damage is immaterial.

FORTY FIVE. For purposes of the performance of his duties and activities, and in order to adequately comply with his obligations, the chief executive officer will be assisted by those executive officers designated to such effect, and by any other employee of the Company or any entity controlled thereby.

FISCAL YEARS; FINANCIAL INFORMATION

FORTY SIX. The fiscal years of the Company shall consist of 12 (twelve) months and shall run from January 1 (one) through December 31 (thirty one) of each year.

FORTY SEVEN. Within 3 (three) months following the end of each fiscal year, the board of directors shall prepare a report containing, at a minimum, the information set forth in Article 172 (one hundred seventy two) of the General Law of Business Corporations. The board of directors shall deliver such report, together with any relevant support documentation, at least one month prior to the date of the shareholders meeting that will be held to consider such report. The report of the board of directors referred to in this article must be completed and made available to the shareholders at least 15 (fifteen) days prior to the date of the shareholders meeting that will consider such report. Shareholders will be entitled to receive, free of charge, a copy of such report.

In addition, during the annual ordinary shareholders meeting referred to in Article Twenty Seven hereof, the Company shall disclose a report with respect to the satisfaction of its tax obligations under Section XX of Article 86 (eighty six) of the Income Tax Law. Such report may be included within the report referred to in the preceding paragraph or within any other report provided for in the applicable laws.

LEGAL RESERVE; DISTRIBUTION OF PROFITS AND LOSSES

FORTY EIGHT. The net profits of the Company, as reflected by the balance sheet approved by the annual ordinary shareholders meeting, shall be allocated as follows:

- (a) First, at least 5% (five percent) shall be allocated to create or replenish a legal reserve, until the amount of such legal reserve amounts to at least one-fifth of the capital stock.
- (b) Thereafter, the amounts determined by the shareholders meeting shall be allocated to create any extraordinary, special or additional reserves that may be deemed convenient.
- (c) Thereafter, the amounts determined by the shareholders meeting shall be allocated to create or increase any general or special reserves, including, if applicable, the reserve for the repurchase of shares referred to in Article 56 (fifty six) of the Securities Market Law.
- (d) Thereafter, any amount as may be necessary shall be allocated to pay the preferred dividend payable to the holders of the Series "L" shares in respect of the relevant fiscal year or, as the case may be, any dividend accrued during previous fiscal years which remains unpaid.
- (e) The remainder of the net profits may be distributed as dividends to the shareholders, in proportion to the paid amount of their shares.

Unless otherwise approved by the shareholders meeting, dividends shall be paid only upon surrender of the corresponding dividend coupons. Dividends not collected within 5 (five) years from the date on which they became payable, shall be forfeited to the Company.

The annual shareholders meeting shall determine the compensations of the members of the board of directors.

Losses, if any, shall be covered by the shareholders in proportion to their respective holdings of shares; provided, that the obligations of the shareholders pursuant hereto shall be limited to the amount of their respective capital contributions and that the shareholders shall not be required to pay any amounts in excess thereof.

EVENTS OF DISSOLUTION

FORTY NINE. The Company shall be dissolved:

- I. In the event of impossibility to achieve its corporate purpose.
- II. By resolution of the shareholders pursuant to the law and these bylaws.
- III. If the number of shareholders of the Company decreases to less than the minimum of 2 (two) shareholders required pursuant to Section I of Article 89 (eighty nine) of the General Law of Business Corporations.
- IV. In the event of a loss amounting to two-thirds of the capital stock.

LIQUIDATION

FIFTY. Following its dissolution, the Company shall be liquidated. The general extraordinary shareholders meeting, by affirmative vote of a majority of the holders of the shares of common stock, shall appoint 1 (one) or more liquidators. The liquidators shall hold the legal representation of the Company, shall have the powers and obligations set forth in Article 242 (two hundred forty two) of the General Law of Business Corporations and shall, in due course, distribute any remaining funds to the shareholders, all in accordance with the provisions contained in articles 247 (two hundred forty seven) and 248 (two hundred forty eight) of the General Law of Business Corporations and the following rules:

- I. They shall conclude all pending matters in such manner as they may deem most convenient;
- II. They shall collect all the accounts receivable and pay off all the debts, and shall sell any the assets of the Company as may be necessary to such effect.
- III. They shall prepare the final balance, and

- IV. Following the approval of the final balance, they shall distribute any remaining assets among the shareholders as follows:
1. The holders of the Series "L" shall receive payment of the preferred dividend equal to 5% (five percent) of the capital attributable to such shares, accrued by such shares but which remains unpaid;
 2. The holders of the Series "AA" and Series "A" shares of common stock shall receive payment of a dividend equal to the dividend paid to the holders of the Series "L" shares pursuant to subparagraph 1 of this Section IV.
 3. Following the payment of the dividends referred to in paragraphs 1 (one) and 2 (two) above, the holders of the Series "L" shares shall receive the reimbursement of the capital attributable to their shares;
 4. Thereafter, the holders of the Series "AA" and Series "A" shares shall receive payment of an amount equal to the amount paid to the holders of the Series "L" shares pursuant to paragraph 3 (three) above, and
 5. The balance, if any, shall be distributed among all the shareholders in proportion to the number of shares owned by each of them and in proportion also to the paid-in value of each such share. In the event of dissent among the liquidators, the statutory auditor shall call a general extraordinary shareholders meeting, which shall resolve any matter under dispute.

FIFTY ONE. The founding shareholders do not reserve themselves any right whatsoever.

FIFTY TWO. Any matter not expressly contemplated in these bylaws shall be subject to the provisions contained in the General Law of Business Corporations.

FIFTY THREE. Any dispute arising in connection with the execution, interpretation and performance of these bylaws, to which the Company is a party, shall be submitted to the jurisdiction of the federal courts of the United Mexican States. In the event of any dispute between the Company and its shareholders, or among the shareholders in connection with any matter pertaining to the Company, the Company and the shareholders, upon the subscription or acquisition of any shares, shall expressly submit to the applicable laws of and the competent courts sitting in Mexico City, Federal District, and waive any other jurisdiction to which they may be entitled by reason of their present or future domiciles.

INTERIM PROVISIONS

ONE. The capital stock of the Company shall be variable. The minimum fixed portion of the capital stock shall be \$397,873,850.45 (three hundred ninety seven million eight hundred seventy three thousand eight hundred fifty Pesos 45/100, Mex.Cy.), represented by a total of 47,744,862,098 (forty seven thousand seven hundred forty four million eight hundred sixty two

thousand ninety eight) shares of which 11,717,316,330 (eleven thousand seven hundred seventeen million three hundred sixteen thousand three hundred thirty) are Series "AA" ordinary shares, without par value; 599,818,479 (five hundred ninety nine million eight hundred eighteen thousand four hundred seventy nine) are Series "A" ordinary shares, without par value; and 35,427,727,289 (thirty five thousand four hundred twenty seven million seven hundred twenty seven thousand two hundred eighty nine) are Series "L" limited voting shares, without par value, all of which are fully subscribed and paid for.

It is hereby certified that, as of the date hereof, the Company has issued and is holding an aggregate of TWELVE THOUSAND FOUR HUNDRED FIFTY SIX MILLION SEVEN HUNDRED THIRTY FOUR THOUSAND ONE HUNDRED FORTY SIX (12,456,734,146) treasury shares, of which THIRTY ONE MILLION SIX HUNDRED TWENTY EIGHT THOUSAND EIGHT HUNDRED FOUR (31,628,804) are Series "A" shares and TWELVE THOUSAND FOUR HUNDRED TWENTY FIVE MILLION ONE HUNDRED FIVE THOUSAND THREE HUNDRED FORTY TWO (12,425,105,342) are Series "L" shares, which shall be placed in accordance with the provisions of the Securities Market Law and the general rules issued by the National Banking and Securities Commission.