

**EMBRAPAR's
CODE OF ETHICS**

Introduction

The changing, competitive and evolving world today, offers women and men a great variety of benefits, work and alternatives, as well as more and bigger responsibilities.

As a result, it is essential to us to establish standards of business conduct for all Embrapar employees, that we expect to be followed in our Company, with the firm purpose of gaining the recognition and the preference of our customers. Furthermore, the standards to be clear to all and be applied in a non-discriminatory basis, as well as comply with the legal frame.

The present Code not only contains the basic ethical principles, but also sets our Business mission in line with the values that guide our actions. In short, they are meant to offer the guidelines to our efforts towards attaining our goals, and establish the methods to attain them.

Our Code states who we are as well as the promising future we strive for

Objectives

The Code of Ethics reflects our corporate commitment to maintain top ethical development levels and keep the national leadership position in the telecommunications industry.

The Code defines the company we want to become, the values that rule and guide it, as well as the ethical conduct we expect from its members.

The Code states the conviction that ethical conduct is based on individual responsibility.

The Code recognize and are in conformity with the laws of our country, with the regulatory bodies and the rules prevailing in our Company; and they are disseminated under the certainty that all of us, its teammates – stockholders, directors, employees at large – have attained a maturity level that allows a deeper commitment towards a unique ethical conduct.

Lastly, the Code of Ethics promotes ethical conduct as an advantage over our competitors. With the current access to technology, resources and human labor, honest conduct and upright behavior are an added value to the services and products that companies offer..

Our Mission

Continue being the telecommunications leader by providing our customers with integrated, high value, innovating and world-class solutions through human development and growth, in addition to the application and management of state-of-the-art technology.

Our Vision

Consolidate Embratel's leadership in the domestic market by expanding telecommunications services in all potential markets in order to become one of the best and fastest growing companies in the world ".

Our Values

Our values support our mission and our corporate and conduct principles.

Our Values are those qualities that define and guide us. We should start from a conceptual definition and it is mandatory to carry them out in our daily actions.

There are four values in our corporate culture:

- 1. Work,**
- 2. Growth,**
- 3. Social Responsibility, and**
- 4. Austerity.**

W o r k

Work is any human activity that meets an economic, emotional or personal growth need.

Work is a value because through it we can meet our needs and serve others.

More than an obligation, work is an opportunity that life gives us.

It is a privilege to work and therefore, our personal task should be to give our best.

G r o w t h

Depending on their own skills, individuals, companies, institutions, and countries, growth and development should continue throughout their lives.

This is why we must increase our personal skills and knowledge so that our Company increases its capacity to offer more and better services and that our country improves the opportunities it offers to the population.

Growth is achieved through joint efforts.

Growth is attained with: better Company, better employees, better citizens, better families. and through others by being the best company, employee, citizen and family.

S o c i a l R e s p o n s i b i l i t y

Today, in a world without borders, it is impossible to live isolated. The truth is that all personal or common activities impact society and therefore, a service and commitment attitude are necessary toward the community.

To do our work well, to serve and comply with our customers and suppliers, abide by current legislation and to take care of financial, human and material resources, are ways through which we can carry out this value.

A u s t e r i t y

These values refer to the optimization of resources and eliminate waste.

To be austere means to efficiently use and take care of what we have, spend on what is necessary and eliminate useless or superfluous items.

We cannot think about having social responsibility unless we practice austerity.

Our Business Principles

Business Principles indicate the main characteristics of our Company regarding our specific activity that is telecommunications.

Our Company's activities are focused on complying with the following principles:

1. Customer Service,
2. Quality, and
3. State-of-the-art Technology.

C u s t o m e r S e r v i c e

Our Customers are the main reason for our activities. Customer service is essential to continue with their preference. Our Customers should be served with respect and fully abiding by the service conditions we have agreed with them.

Serving our Customers compels us to meet and exceed their expectations.

Q u a l i t y

Customer service and attention can only be provided with available services and products that meet their expectations in an efficient and timely manner.

Our work must meet the operating standards established by our Company and regulating bodies.

S t a t e - o f - t h e - a r t T e c h n o l o g y

Quality, customer service and leadership in our industry are only possible with the incorporation of leading technology in our Company. It is essential that we maintain state-of-the-art technology for our growth and development, as well as to offer our customers more and better services.

Our Conduct Principles

In addition to complying with guidelines and laws, ethical conduct assumes the use of free will to make the right decision when conflict arises.

A situation demanding an ethical solution must be analyzed along with our Mission, our Values and our corporate and conduct principles.

We enforce three conduct principles in our Company:

1. Abidance to the established guidelines,
2. Non Discrimination, and
3. Integrity.

A b i d a n c e t o t h e E s t a b l i s h e d G u i d e l i n e s

All activities must be carried according to the established guidelines, laws, regulations and policies. This abidance guarantees the protection of our Company's interests as well as of its members.

N o n D i s c r i m i n a t i o n

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

I n t e g r i t y

Is the consistency that must prevail between what we say and what we do, by assuming an ethical attitude at all times and complying with the established guidelines. All of our Company's personnel must be an example to follow.

Our Conduct Principles state our interest in treating customers, employees and shareholders with respect and always in a professional manner, in order to establish harmony between individuals and the Company.

We want to be an example for our country through our conduct and values. We wish to prove how work can be efficiently carried out. We strive to be recognized as a Company that respects laws and individuals, is honest in its negotiations and a promoter of social wellbeing, not only through economic means, but also through education, art and culture.

Department Principles

The various Company areas shall fulfill the specific principles affecting their activity. However, some of these principles can and should be adopted by the Company as a whole. On the other hand, knowing all of them will bring the situation faced by our Company into a better perspective.

Human Resources

Without a doubt, our personnel is our most valuable asset and therefore, they deserve attention and respect.

In our Company, all employees are considered to be individuals that have the following:

- Ability to face situations and make decisions.
- Ability to respond for what is done and therefore, be accountable for their actions.
- The obligation to treat others as they would like to be treated.

Due to work demands, our Company's personnel is distributed in hierarchical levels seeking to optimize individual performance and obtain the benefits of teamwork. Hierarchical levels are recognized in the Company as a way to work and above all — beyond hierarchies — respect for people is always present.

Directors

The directors of our Company are the top representatives of the Corporate Values, and respect, promote and preserve a conduct linked to the most significant ethical notions.

For this reason, and in order to preclude any possible conflict of interest or the improper use of their authority, the Directors and the Members of the Board of our Company are not entitled to receive any favors on its behalf.

As an additional responsibility of our directors towards the Company, its investors and the society at large, they sign a Statement where they state their commitments with the corporate values.

M a n a g e r s

The managers must conduct and take advantage of teamwork. They must be responsible for the results obtained by their management, keep in compliance with the Code established by the Company, by their specific area, and support the development of their own team.

The managers are in charge of maintaining an appropriate work environment, of promoting work development, and of making their team attain top performance level.

P e e r s

They are people of same hierarchical level who share the concerns and goals of their work. This cooperation and, in turn, a healthy competition, will result in improved performance at individual and management level and, as a consequence, throughout the Company level.

E m p l o y e e s

The employees implement and carry out the goals of the Company, and are under the guidance and responsibility of a manager. They are supposed to fulfill their duties in compliance with the Code in force.

Commercial

W i t h C u s t o m e r s

Possibly, the most decisive factor that drives customers to choose one company over another is the degree of confidence that the Company has generated throughout its customer service history. From an ethical perspective, customer confidence and loyalty can be obtained by:

- Providing suitable and amiable treatment. That is, to treat them as we would like to be treated.
- Clearly conveying with the characteristics and/or limitations of the products and services that we offer.
- Provide them with their information requests as long as they are authorized.
- Honest treatment, that basically means to fully comply with what we have agreed upon.

With Competition

The relationship with competitors is clearly regulated by the corresponding legislation and must be exact in its compliance and abidance.

In addition to what has been stated, to establishing a relationship with a competing company that may generate conflict of interest* or that impacts the impartiality of our judgement must be avoided.

Purchasing

With Suppliers

The relationship with suppliers may become difficult because there are important issues at stake for both parties. Therefore, the relationship must be professional and respectful that emphasizes on transparency and complies with the established guidelines.

Personal or outside business relationships will be avoided with all suppliers as it may generate conflicts of interest* or even affect the objective judgement of any situation.

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

Commercial transactions with our suppliers will be established based on unbiased competition.

If employees believe that their relationship with suppliers could be misinterpreted as a conflict of interest *, they must inform their boss prior to making any process in order to reach an appropriate decision.

Our Company is aware of the possibility that some of our suppliers and customers might be related to some of our employees. This fact does not constitute an illicit or unsound issue. However, in abiding with the ethical spirit of our culture, any person that is under this circumstance will report it to their boss, who in turn will report it to the Human Resources Department.

Finance

With Shareholders

Our stockholders, just like those in any other company, seek an attractive profitability compatible with its risks. Seeking for profitability is not just a response to such expectation, but rather an inherent requirement of the Company to guarantee its solidity and development.

The profitability we want for our Company requires:

- An efficient, effective administration in direct relation with our austerity value.
- Responsibility arising from the confidence in our Company, here understood as an assignment to do the proper application of funds.

As a consequence, we expect our stockholders to conform to the principles of confidential information which is available to them.

Code of Ethics

This Code offers the basic guidelines to help our personnel to make ethical decisions. It will never be excessive to state that all our decisions and actions must reflect the mission and values of our Company and that ethical behavior may be critical to our success in the current business environment.

Compliance with the Law and our Participation with Competition in a Respectful Environment

We must fully comply with the law, including the laws of competition and trade. We should act ethically and eliminate even what could appear to be forbidden actions.

We must compete based on the merit of our products and services and our capacity to offer them.

Under no circumstance can an agreement be made with a competitor — current or potential — to restrict competition by setting prices, allocating markets or a similar activity. Additionally, no member of our Company may discuss with competitors any issue related to competition, except for the department in charge of dealing with them.

It is not permitted to refuse to deal with others, nor to acquire goods and services from others simply because they are our competitors.

It is also important that no one conditions others to acquire our Company's products or services before we buy something from them. Customers may not be conditioned either to buy something they do not wish to buy in order to obtain another product or service they do want to acquire.

Other important guidelines are:

- Be polite, accurate and truthful with customers and competitors by giving the correct prices, quality standards, characteristics and availability of our products and services.
- Not participating in industrial espionage or commercial bribes.
- Not discrediting competitor products and services.

Use and Management of Information

I n s i d e " N o n P u b l i c " I n f o r m a t i o n

Inside "Non public" information is the information generated in our Company and its dissemination may cause severe consequences to the Company. A large number of our employees have access to this information due to their specific functions. The use of this information must be handled very carefully and in compliance with the established guidelines.

Access to inside "Non public" information is limited to those that need it to carry out their work.

The fact that employees have access to this information is not a conduct contrary to the Company, but the improper use of it is.

The Company has adopted the following guidelines regarding the use of inside "Non Public" information:

- 1) It is forbidden to disseminate "Non public" information of the Company.
2. The sale of shares must be made three months after the purchase date. Additionally, Company personnel may not carry financial transactions other than buying and selling of our Company's shares.
3. Inside information may not be discussed or disseminated with other employees or outside the Company, unless the person receiving the information needs it for work purposes.
4. In case that our Company personnel reveals "Non public" information to their relatives or third parties, they must take the necessary steps to make sure that they do not use this information at all.
5. In case that an employee of the Company obtains confidential information of a competitor, a customer, a supplier, a government institution, etc., while doing their job, this person must keep it confidential.
6. No Company employee should request or receive confidential information for a government entity regarding the government or another institution, unless there is written authorization to do so.

If there are questions regarding "Non Public" information, employees must notify their boss.

Privileged Information

The knowledge of acts, facts or events that are able to influence the price of stocks listed in the Registro Nacional de Valores (Mexican Stock Market) that have not been revealed to the public. Additionally, there is no information that can be considered public until it is officially disseminated through the means established by the applicable regulatory dispositions. (Currently, through electronic means).

Company Securities Transactions

Our Company policies concerning the operations with Embrapar bonds and securities and their derivatives establish that:

1. Being a shareholder or beneficiary of any bond or security and their derivatives issued by or related to Embrapar is not forbidden or subject to any sanction in itself. However, not taking into account the legal provisions of Embrapar policies on the operation and the use of confidential information constitutes an extremely serious infringement.
2. The employees in possession of confidential information are not allowed to perform operations on their own behalf or for a third party, nor to inform or provide such information to a third party at any time in the performance of operations with any values issued by Embrapar.
3. In conformity with the applicable law, the Company's employees, even when they are not in possession of confidential information, are forbidden to perform, either directly or indirectly through a third party, any buy or sell operation with any bond or security and their derivatives issued by Embrapar within a span of three months after the latest buy and sell operation they may have performed.
4. The operations with bonds and securities and their derivatives issued by Embrapar, performed by close family members of the Company employees, especially spouses, children, parents and siblings; any other person living with the employee and who is not in possession of confidential information shall also be subject to the aforementioned three-month span as well.
5. The employees are recommended to perform buy and sell operations with any bond or security and their derivatives issued by the Company only during the span of time authorized in each quarter, which starts two days after disclosure by Embrapar of the quarterly (ITR) and yearly (DFP and IAN) information, and ends up to ten working days afterwards.

6. The Companies of the Embrapar Group, the Directors, the members of the Board, the members of the Fiscal Council and of any other technical or consulting area created by its by-laws, and other employees bound by the Company's disclosure policy shall be additionally subject to the provision of such policy and to Instruction 358/2002 of the Securities Commission (CVM). The Company shall establish and review from time to time the duties of the employees who, in addition to the Standard of Business conduct, are bound by the Company's disclosure policy (available at the Company website: www.embratel.com.br/ri) and the Company shall be responsible for updating the Disclosure Policy Acceptance Agreement. Furthermore, the Company may adopt at any time a negotiation policy to meet the criteria established by CVM.

7. Based on CVM Instruction no. 358/2002, the Directors, the members of the Board, the members of the Fiscal Council and of any technical or consulting area created by its by-laws, and other employees assigned by the relations with investors area shall report to the Securities Commission (CVM), to the Company and, if applicable, to the Stock Exchange and to an established over-the-counter market institution where the securities issued by the Company are authorized to be negotiated, the quantity, the characteristics and the form of acquisition of the bonds, securities and their derivatives issued by the Company and by their controlled or controlling companies, as well as the change of their position, within 10 (ten) days following the end of the month when the change in their positions takes place, indicating the balance of the position by the end of the time span.

8. The employees are forbidden to take part in negotiations involving any operation with bonds or securities and their derivatives issued by the Company.

9. The non-authorized disclosure of confidential information of Embrapar or of any associated company to any individual, company and third parties, including family members, is forbidden.

10. The employees and Embrapar may be deemed responsible in case of non-compliance with the referred policy and recommendations, in accordance with the applicable laws and regulations.

C o n f i d e n t i a l i t y o f e m p l o y e e d a t a

Our Company values the privacy of its employees. Therefore, the Company keeps the employees data that are necessary for legal or contractual purposes only, and limits the access to such data to those who need to know it for legitimate reasons. The employees in charge of handling the data of other employees in the Company must take the highest degree of care not to unduly disclose such data.

Privacy of Customer Information

There are several government guidelines that state the manner in which customer information must be handled, like their address, phone number, type of services they have, technical features and statistics of use.

In addition, it is also important for our Company to protect the privacy of customer communication means, whether they are voice, data or video transmissions.

In this regard, we can state that:

- No employee can obtain, use or disseminate customer confidential information without a legitimate reason to do so.
- No employee may disseminate information on any of our customer communications, transmissions or transactions, unless there is a legal requirement or the security of customers, employees or Company resources are at risk.
- Commercial transactions with customers and the information on their bills, equipment, circuits, or other customer information contained in Company databases, may only be used by authorized personnel.

Company Data and Records

Company business records must always be prepared in an accurate and trustworthy manner, given the importance they have in complying with the financial, legal and management obligations.

All reports, invoices, employee time check cards, payroll, service reports, evaluations, performance records and other essential data must be prepared carefully and honestly.

Records that contain customer or employee data are strictly confidential. Therefore, they must be carefully secured and kept updated and accurate. They may be consulted only for legitimate reasons and disseminated exclusively to Company personnel that need it for their work.

All employees must strictly abide by the file-keeping standard. This includes normal conservation, based on legal regulations or demands.

All the documents containing confidential information must be handed over by the employees who leave the Company for any reason. Even after the end of the work relation, the former employees must keep such information confidential.

Disclosing information on relevant facts or actions

Embrapar securities are listed in the São Paulo Stock Exchange (Bovespa) and in the New York Stock Exchange. As a consequence, we have the duty and the responsibility to publish relevant facts or actions in the main newspapers normally used by the company.

All employees responsible for drawing up the publications, or taking part in this process, must ensure that such publications are complete, accurate and in compliance with the publication procedures and control of our Company.

Conflict of Interest

Conflict of interest arises when Company, personal and frequently third party interests are at stake.

Our guidelines result from the legal definition of "conflict of interest" that states: "Employees must abstain from participating in the attention, processing or resolution of issues in which they have a personal or family interest (spouse, blood relatives to the fourth degree, relatives by affinity to the fourth degree, and in-law relatives) or business (third parties where there is a professional or business relationship or for partners or companies in which the employee or the mentioned relatives have participated).

Consequently, we are fully convinced that all employees have an obligation toward the company that hired them. Therefore, we expect that all Company employees abstain from establishing any kind of relationship or activity — such as employment or self-employment — that interferes with their performance in our Company. Additionally, we expect that our employees abstain from using their position or authority to obtain personal benefits.

In order to eliminate a potential conflict, we believe that it is not convenient to accept gifts, bonuses or courtesies that could generate an obligation that may influence our commercial relationships.

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

We must make sure that all our external relationships are carried out according to our policies and procedures, as well as with the current laws by eliminating any situation that could generate a conflict of interest or that reflects incorrect behavior.

In order to avoid an internal conflict of interest, it is not allowed to hire spouses, blood relatives and affinity relatives —for non-unionized positions— to work in the same area or in one that has influence in work processes (promotions, compensations or sanctions).

When, due to the organizational mobility, two or more people working in the same area or project have some relation that might result in a conflict of interest, as it is the case of blood or foster relatives, each one of these employees should report in writing to their immediate management and to the Executive Director of Human Resources and Quality, for the applicable action.

In addition to the performance of the labor policies and procedures, all employees in these situations must take special care to avoid any type of conduct that might be regarded as preferred, patronizing or privileged treatment.

Business Opportunities

It is forbidden that any member of the Company benefits from their knowledge of the core business regarding real or possible business opportunities for himself, others and other companies.

Privacy of Telecommunications

The privacy of communications has always been the base of the telecommunications industry not only because it is a legal requirement, but also because the public has confidence in the Company.

With the constant increase of data volume transmitted through our network, this confidence has acquired a special meaning. Today, the responsibility of maintaining privacy not only concerns telephone conversations, but also information transmitted as data.

However, privacy rules have not changed. They are as simple and inflexible as they have always been.

They are simple because they are logical and inflexible because if they are broken, they could severely harm the reputation of the telecommunications industry. These rules are:

- No voice, data or any other type of transmission may be interfered without a legitimate purpose
- No conversation, data transmission or any other type of communication between customers may be listened or monitored, and its existence or content may not be disseminated except when authorized by a District judge. If this type of situation occurs the legal department must be notified and they will make sure that the legal requirements are met and will inform and coordinate the areas in charge of security.
- No one can use customer communications information for their personal or third party benefit.

Information Considered as Company Property

All information generated and developed by Company employees as a result of their activities is Company property and therefore, it is private and confidential. It can only be used for internal purposes and pursuant to the established policies and procedures. Just like any other valuable resource, it shall be protected since its dissemination can give advantages to third parties, expose the Company to damages and losses and put the privacy of communications at risk.

Responsibility in Handling Cash and Related Documents

As a company participating in public funding, our Company assumes an obligation toward public confidence and a high level of responsibility with society. One of our main obligations is the dissemination of complete and clear corporate information, including financial results.

Our Company's personnel is responsible for preparing financial reports that should be true and accurate. All acts or omissions that could result in misinterpretation of financial information should be avoided.

No employee should be involved in any activity that undermine the integrity of financial information, including incentives for personal benefit or the desire to reach goals of the Company such as: market expectations, achieve budget commitments or increase revenues to meet investor expectations.

C o m p a n y F u n d s

Any person that has control over Company funds and records is personally accountable for its custody. This includes cash, checks, money orders, credit cards and the record of payments and rates.

When Company or personal money is used that will later be reimbursed, employees must be sure that they will receive good value for the money they are paying.

All employees must make sure that all invoices and documents issued in the Company's name meet the established requirements.

Guidelines on political activities

The employees can only take part in civic and political activities on an individual basis, during their free time, and at their own expenses, and:

- No Company funds or assets shall be used as contribution to political campaigns.
- The Company assets and premises and its working hours shall not be used for the practice of political activities.

Company Assets Policies

The protection of the Company's assets and services is crucial in our activity. The rates paid by our customers and the Company inflows depend on the protection we offer to its assets against intentional damage and harm or caused by negligence.

The Company movables and real state property, equipment, tools, vehicles, etc. shall not be used for personal benefits or for non-authorized purposes.

No equipment of the telephone plant – switches, test plates, terminals or any other item shall be used for non-authorized calling.

The assets of the Embrapar Group, including the confidential information, are to be used by the companies on an exclusive basis, and in accordance with their own interests. The employees are not authorized to use such assets for their own benefit, for political benefits or for the benefit of third parties, except in case of previous express authorization given by the appropriate authority.

The sale, lease, donation or availability of the Companies assets can be performed by authorized personnel only, and in compliance with the established procedures.

All employees shall preserve the Company assets and its trademark in conformity with the provisions of the organization.

Computer Systems

Computer systems are crucial to efficient day-to-day activity of our company. The hardware, software and the data access, processing and storage must be properly safeguarded and used for duly authorized purposes.

The Company installed several security systems to protect its computer systems. No program shall be used to defraud these systems. Every employee is responsible for preserving the company's computer systems.

All employees shall be aware of the existence of the Embrapar Information Security Policies and Code and collaborate on their fulfillment.

Data can be easily transmitted to offices and homes through automatization systems and personal computers. The data storage items and the systems must be physically preserved and an access control must be established. Furthermore, the entire documentation for software licensing acquisition and the use thereof must be updated and be available for verification purposes. The copy, appropriation or inappropriate use of software It is forbidden.

The softwares and other applications like electronic mail and voice mailbox are considered as Company assets, and shall be used only for the purposes of the Company.

The following provisions are further established:

1. No employee can install in the Company computers any non institutional program or programs which our Company has no license to use or is not authorized by the system area.
2. No modification shall be performed in the softwares, except in the cases specified in the respective agreements and with the supervision of the Systems Area.
3. No systems or programs shall be developed without the authorization of the Systems Area.
4. Non-authorized code modifications shall not be included in any software.
5. The in-house development of computer equipment, systems and programs by the employees for the planning and execution of the work activities is property of the Company.
6. Permission of access to the Company systems or information can only be granted by the owner of the information, through business-compliant valid justifications.
7. User accounts designed to access Embrapar systems or internal networks are personal and non-transferable. Therefore, the user accounts cannot be shared with other people. The access passwords shall be kept confidential and owned by the employees in charge of the accounts only.
8. Remote access to the Company's computing resources shall be restricted to business requirements and authorized by the owners of the information in each system.
9. The electronic transfer of information within and outside the Company shall fulfill the integrity, confidentiality and authenticity requirements compatible with their categorization.

Conducts which can characterize equity violation

Any action or omission that may characterize equity violation against the Company shall be quickly reported, identified and investigated, so that the corresponding legal remedies can be adopted.

This provision shall apply to conducts that may characterize associated violation or the preparation for the execution of an equity violation, such as: alteration of records, values or documents, non inclusion of records, false records, drawing up or receiving apocryphal or false documents, goods or document evasion, suppression of goods or documents, improper handling of money and values, etc.

Consumption of Alcohol, Drugs and Stimulating Substances

Our Company has a commitment towards protecting the security, the health and the welfare of its employees, and of all the people contacting our offices, and with the use of our products and services as well.

We are convinced that drug use and alcohol abuse have a direct and important influence on our commitment to building a productive and efficient work environment, where all employees have the chance to develop their utmost skills. Therefore, we have a commitment to keeping a drug-free work environment for all our employees.

As a consequence, the Company strictly forbids the use, possession, sale, attempted sale, transport, distribution or manufacture of drugs or of any other controlled substance in any amount or form, during the performance of activities or within the premises or vehicles of our Company.

Possession is defined as the situation when the employees carry any drug or stimulating substance not only on their body, bags or personal effects, but also keep them in any piece of furniture, equipment or means of transport provided to them by the Company for the performance of their functions.

Harmful effects are the physical or psychological alteration (motor coordination, reactions, judgment, etc.) produced by the use of alcohol, drugs or any other substance considered as illegal, including substances that have been prescribed by a doctor but are being taken in doses not compatible with the prescription.

Environment

Our Company is strongly committed to the protection and preservation of the environment. All the employees shall comply with the legal provisions at local, state and federal level.

Threats and violence in the workplace

Due to the increased level of violence in our society, the Company strives to keep a safe and reliable work environment. Physical violence or threats within the workplace shall be immediately addressed in conformity with the respective procedures.

The possession of any kind of weapon is forbidden in the Company's workplace or vehicles, except in the case of people authorized to protect the Company's employees and assets.

Where to address your questions

The employees wishing to ask any question on these Code shall firstly go to their immediate manager. The open-doors policy adopted in our company gives to employees total freedom to contact any manager to clarify any ethical issue. Employees can ring no. +55 (21) 4004-4576 or e-mail codigodeetica@embratel.com.br to report any standard violation. Confidential treatment shall be given to the information provided by the employees, and there will be no retaliation or reprisal for reporting such facts.

Reporting and investigation

All employees shall report to their immediate manager or to the Ethics Committee any conduct which they believe in good faith to be a violation of these Code or of any other item of the Company policies and procedures, as well as a violation of applicable law, rule or regulation.

The possible illegal action shall be investigated by the Ethics Committee. In case of accounting or internal control issues, such actions shall be reported to the Audit Committee. All employees shall cooperate with any internal or external investigation. The employees shall also keep any investigation in confidence.

Final Considerations

These Code of Ethics reiterate the commitment of our Company to seeking the highest Code of Ethics.

As mentioned before, every person is directly responsible for his actions. Our conduct can affect directly or indirectly our reputation with our customers.

It should be stressed that these Code are not exhaustive of all the rules and regulations applicable to every situation. Their contents should be taken into consideration together with the policies, practices, instructions and procedures of the Company and with the provisions of the law. However, in case of any unforeseen situation, our employees are expected to apply the best ethical principles to such circumstance.

All employees in the Company are primarily responsible for monitoring and investigating, on a direct or delegated basis, the performance of the Code of Ethics and their legal provisions.

Non-compliance with any provision of the Code subjects transgressors to disciplinary sanctions that can culminate with termination of their contract of employment, and the transgressors and the people involved will be further subject to the applicable legal provisions. Depending on the case, the Company has a legal or ethical obligation to report such violations to the competent authorities.

Our Code of Ethics, as well as our Company, are strengthened and renewed, thanks to the participation and the support of our employees.

The following Embrapar internal documents derive from these Standards:

Collective Bargaining Agreement

Establishes the rights and obligations of the Company and its employees. Guarantees the minimum rights established in the consolidation of the Labor Laws (CLT).

S.t.a.f.f Internal Regulations

Establishes the work conditions, and the compliance therewith is mandatory for all employees.

10 Basic Rules

Establishes the rights and obligations of the Company and its employees. Guarantees the minimum rights established in the Constitution and in the Federal Labor Law of Brazil.

1. To treat everyone equally, regardless of hierarchy, gender or age, or any other individual characteristic or conviction.
2. To respect the privacy of our customers, not only through the use of our telecommunications network but also in handling the information received.
3. To protect the Company's confidential information.
4. To preserve and use properly the assets and resources of the Company.
5. To serve our customers, vendors and co-workers on a respectful and diligent basis.
6. To fulfill strictly all the commitments assumed with our customers and vendors.
7. To make decisions based on product specifications or services.
8. To respect the laws and regulations applicable to the Company.
9. To avoid establishing relations that may bring about any conflict of interests.
10. To take an active part in the performance of these Standards.

Letter of Acceptance of Embrapar Employees

I hereby declare that I have received the Code of Ethics of Embrapar and its Controlled Companies. I state that I have read the document and I am in agreement with its contents, and undertake to comply with all the provisions and topics contained and defined therein.

Name: _____

Registration no.: : _____

Place: : _____

Area: : _____

Business Phone: : _____

Date: : _____

Signature: : _____

No.