
Code of Ethical Conduct



QGEP Participações SA
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 **queiroz galvão**
EXPLORAÇÃO E PRODUÇÃO

Message from the CEO

To all our employees.

As we believe that good conduct, safety and excellence are achieved by means of the commitment of each one of us, employees, the ethical guidelines of QGEP PARTICIPAÇÕES S.A. and its subsidiaries¹ ("**QGEP**") were prepared in 2012 in an interactive manner, with the cooperation of all employees of the Company, in a process guided by the values of the Queiroz Galvão Group, as well as by ethical and legal precepts, and good industry practices.

From 2012 ahead and with the growth of our business, QGEP further expanded its relationships, having aggregated to its activities a larger number of stakeholders. Our ethical principles, which pervade QGEP's business and activities, in 2015 are undergoing another development stage, always aiming at guiding us in a clear manner in what concerns QGEP's expectation regarding our behavior and which identifies it.

Perpetuity and growth of our business essentially result from the day-to-day application of values and beliefs based on ethics and law abidance and, therefore, QGEP is committed to assumptions, policies, procedures and practices adopted within the scope of this Code of Ethical Conduct, and invites us to keep up its dissemination.

It is important to highlight that this document is not intended to address all of our day-to-day situations, but rather, to offer guiding parameters.

We will therefore ensure consistency between the application of such principles and respect to our values, reflecting a transparent, reliable and safe work in projects generating benefits to the people in general.

With my best regards,

Lincoln Guardado

¹ Check www.qgep.com.br for further information on subsidiaries of QGEP Participações S.A.

Values

Good management and the quality of QGEP's activities are guided by the daily application of four basilar values of the Queiroz Galvão group, described herein below:

- **WORK:** the value that ennobles and dignifies, the basilar pillar over which all our success is built. Dedication and effort to overcome challenges, applied with correctness and honesty, are of the essence to QGEP's business vision.
- **QUALITY:** improvement of our processes and business management, as well as qualification of our staff at all levels is an ongoing concern - this is so because "what needs to be done must be well done".
- **LOYALTY:** union between people is indispensable to achieve the best results, provided that everyone should interact in a professional and committed manner. Such idea should be disseminated across QGEP, creating the foundation for internal cooperation, good communication and mutual support between employees.
- **RELIABILITY:** targets should be accomplished within the established terms in any work relationship, whether with clients or with employees. Such value ensures full confidence to QGEP's projects.

Ethical Principles

OUR TEAM IS PROFESSIONAL AND DEDICATED. We are a productive, respectful, professional and spontaneous working team that integrates generations and experience. We are motivated, valued, we are afforded development opportunities and promote a good working environment.

OUR MANAGEMENT IS PARTICIPATIVE. We foster a participative management based upon dialogue, cooperation, merit, freedom of expression and good interaction among individuals, areas and our relationship publics, we rely on mutual support in our daily challenges and we seek solutions based on decisions made in the most possible participative manner.

WE ARE AN ETHICAL AND TRANSPARENT ORGANIZATION. Our work is based on honesty, reliability, transparency of information and respect to the rights and interests of our relationship public. We act with integrity and in compliance with the law, with applicable regulatory aspects and best corporate governance practices.

WE SEEK RESULTS AND THE CONQUER OF CHALLENGES. Our field of activities is complex, dynamic, challenging and involves the use of high-end technology. We are always seeking opportunities that may bring us a great growth and profitability potential.

WE WORK AIMING AT THE WELLBEING OF EVERYONE. We are committed to caring for the health and safety in all stages of our activities. We take into account collectivity, diversity, equity, human respect, fair work, the environment and the quality of life.

WE ARE COMMITTED TO SUSTAINABILITY. Our attitudes incorporate respect to the society in general and to the environment. We foster environmental awareness, social responsibility and actions consistent with sustainable development.

Code of Ethical Conduct: Purpose and Scope

Purpose

Guide all those acting in the name of QGEP, reinforcing the ethical conduct expected by our Company and providing out employees with rules of behavior for the situations most frequently faced in our day-to-day activities.

To serve as guidance for situations not expressly identified in this Code.

To reflect QGEP's commitment to its stakeholders, with a view top creating a relationship based on mutual trust, cooperation and sympathy, particularly with our investors, shareholders, creditors, suppliers, employees, partners, authorities and communities surrounding out activities.

To ensure that performance of our activities is always conditioned upon conformity with the principles set forth in this Code.

Compliance Management

Our Code is managed by our Compliance Manager, an employee of QGEP appointed by our Chief Executive Officer.

The following are duties of our Compliance Manager:

- To care for observance of this Code, fostering its maintenance by means of tools designed to reinforce the precepts contained herein;
- To investigate any irregularities indicated in this Code and in other policies adopted by QGEP, as well as any denouncing information received from Employees, carrying on the required inquiries on a confidential, unbiased, respectful and cautious basis, assuring an adequate forum and with due regard to the right to broad defense and adversary system.
- To report to the Chief Executive Officer on a quarterly basis, or within a shorter period according to the materiality of the case, describing the investigations carried out or in progress, including his/her recommendation on the application of proper disciplinary actions, except where such investigation involves the Chief Executive Officer, in which event the report shall be exclusively directed to the Chairman of the Board of Directors; and
- To render the necessary clarification in the event of doubts or questions related to this Code or to other QGEP's policies.

Ethical Conduct Commitment

Workplace

Relations between QGEP and its Employees should be guided by principles of trust, transparency and dignity.

We care for good communication, internal cooperation and mutual support.

We expect from our Employees:

- that they treat and be treated with respect and equality, and any manifestation or form of abuse of power, discrimination, threat, intimidation, violence, moral or sexual harassment is forbidden; provided further that the use, either direct or indirect by any third party connected to QGEP, in any aspect and level, of child or forced labor shall not be permitted, nor sexual exploitation or the traffic of human beings.
- that they respect diversity and do not tolerate situations involving prejudice, preserving and assuring the free sexual orientation, political or religious beliefs of other Employees; no kind of prejudice or discrimination is allowed on account of ethnic origin, opinion, function or any other individual distinction factor.

Furthermore, so as to ensure a safe workplace, QGEP undertakes to provide adequate protection facilities and equipment to each activity related to its business, with due regard to the requirements of prevailing laws and good industry practices.

All our Employees, in the exercise of their duties, must:

- follow all advice, rules and procedures of QGEP, as well as applicable health and safety laws;
- be able to carry on their tasks, being absolutely forbidden from coming to the workplace under the influence of drugs, alcohol or narcotics.

Use and Conservation of QGEP Property

With a view to ensuring the quality of services rendered, QGEP offers property and resources that are appropriate for the activities performed by each one of our Employees, it being incumbent upon them:

- to correctly use and care for such property and resources provided by QGEP, avoiding any waste;
- to use such property and resources exclusively for the exercise of their professional duties, provided that all data produced within that scope shall exclusively belong, and be granted full access, to QGEP.

Environment

QGEP believes in sustainable use of the environment as a material condition for the development and success of its business, and is committed to protecting the environment and mitigating any adverse impacts resulting from its activities. Its operations are guided by strict abidance by the laws, environmental rules and good operational and health practices. As such, we expect that our Employees:

- give due regard to such legal requirements;
- avoid, mitigate and control adverse impacts resulting from any activities performed by them;
- act in an ethical manner;
- foster awareness among other Employees regarding QGEP's concerns with safety and the environment;
- promptly notify their hierarchic officer and the Compliance Manager of any damage resulting from the activities performed.

Accounting Records:

Based upon its belief in transparency, all accounting and financial records of QGEP must be made in an accurate, clear and correct manner, in accordance with applicable rules and regulations.

Confidentiality of Information

One of the core values pervading QGEP's activities is reliability, which guides us to keeping mutual trust relationships with our stakeholders.

Our Employees should keep under confidentiality at any time, any and all information to which they have access by virtue of the activities performed at QGEP; it is particularly forbidden to use any such information as a means to obtain undue advantages for oneself or for third parties.

Please also check our Policy on Disclosure and Political Negotiation of Disclosure of Material Act or Event And Trading in Securities Issued by QGEP PARTICIPAÇÕES S.A. for a better understanding of the obligations regarding Relevant Information.

Anti-Corruption Guidelines

The practice of corruption by any Employee of QGEP is forbidden and deemed a serious infringement of the rules and guidelines contained in this Code.

In no event is our Employee authorized:

- to pay or receive any form of bribery or graft, within or outside Brazil;
- to promise, offer or give, directly or indirectly, any undue advantage to a government official or a third party related to him/her, with a view to obtaining any benefit. Such prohibition includes payment or offer of an undue advantage to a government official with a view to expediting or favoring the analysis of an administrative proceeding, obtaining licenses, authorizations and permits, or any other actions inherent to the public office of the agent in question;
- to promise, offer or pay money or gifts of any value to a government official with a view to assuring or advancing the performance of any act or service to which one is legally entitled (facilitation payments);
- to finance, provide for, sponsor, or in any way subsidize the practice of the wrongful acts;

- to use intermediates (“straw persons”) to disguise the interests or the identity of the beneficiary of the corrupt act;
- to hamper any activity of investigation or inspection of agencies, entities, or public officials, or interfere in its performance, also within the scope of the regulatory agencies and of the inspection authorities of the national financial system.

For purposes of application of this Code:

- undue advantage may be money or any other benefit which is given to a government official, which may be seen as consideration for receiving any form of benefit;
- government official is any person who works or holds an office in a public agency or in a company controlled by the government, even if temporarily or without receiving compensation (for example, guards and municipal, state, federal police agents, military, public officials in general, from any level of government - Municipalities, States, and Federal Government -, having passed or not a public examination, inspectors and agents of the government, employees from Petrobras, from licensing agencies, such as Ibama, employees of regulatory agencies, such as CVM, ANP, etc.). The members of political parties are also deemed government officials.

Competitive Procedures (including Public Bidding Processes) and Public and Private Agreements

QGEP believes that quality, competitiveness, and the capacity of adaptation are essential pillars of the perpetuity of our business in market conditions which are increasingly demanding. We believe that a competitive market is capable of providing the growth, the development, and the maintenance of our activities.

In view of such beliefs, the Employees are forbidden to:

- practice any conduct which may, directly or indirectly, frustrate or defraud the competitive character of public or private bidding processes;
- perform or accept actions which aim at corrupting government officials or agents from the private market, especially with the purpose of receiving undue advantage or benefits through the execution, alteration, extension, or extinction of a public or private agreement;

- prevent, disturb, or defraud the performance of any bidding process action, as well as to prevent any competitor from participating in the bidding process;
- receive undue advantage deriving from fraudulent alteration in the notice of the public bidding process or in the respective agreements;
- manipulate or defraud the economic-financial equilibrium of the agreements executed with the Government.

Inspection by the government or by authorized private agents

The activities developed by QGEP are always guided by the highest standards of commercial ethics.

Our Employees must allow the broad development of any inspection conducted by the public agencies, entities, or agents, as well as of any inspections which may be developed by private companies due to agreement or contract executed with QGEP, in the form of the applicable laws, in any of the cases, without prejudice to the exercise by QGEP of the legal guarantees and protections which are ensured to it.

Organization of partnerships, consortia, and special purpose companies

Upon the organization of business partnerships, consortia, and special purpose companies, our Employees must, invariably:

- search for partners which are identified with and committed to the values, beliefs, and commitments included in this Code;
- organize partnerships, consortia, or interest in special purpose companies having as a previous condition the adhesion, by all the participants, to the rules prescribed in this Code, or the commitment to the practice of rules and compliance system compatible with this Code, by means of the execution of a term of liability or equivalent document, except if the partner, consortium member, or member has its own program of integrity which is deemed compatible with this document.

Suppliers, subcontractors and contracted third parties

QGEP unconditionally honors the quality of the work it develops, also if it is performed in partnership with other companies.

Therefore, so as to avoid that such value may be damaged, the suppliers, subcontractors or any contracted third party engaged by QGEP must know the rules of this Code and the relevant policies and procedures of QGEP, undertaking to comply with them in the activities developed within the scope of its relations with QGEP, by means of the execution of a term of liability or equivalent document.

In addition to that, the suppliers, subcontractors, or any contracted third parties must present all the documents required by QGEP in its policies, procedures, regulations, and agreements, as well as all documents required by the applicable laws.

In dealing with suppliers, subcontractors, and contracted third parties, our Employees must:

- adopt equitable and fair practices in the relations;
- perform transparent processes of solicitation of prices, through comparative and fair practices such as: bidding process, comparison of prices, reversed auction, etc.;
- select and contract suppliers and service providers according to criteria for quality, cost, safety, and punctuality which are strictly legal and technical;
- repudiate practices which may be considered a violation of the principles of free competition or market reserve, such as to offer privileged information on market research or terms of agreements;
- require from the suppliers an ethical profile in its practices of management and social and environmental responsibility. This way, suppliers which adopt practices of unfair competition, corruption, child labor, forced or compulsory labor, and other practices in violation of the principles of this Code must be refused;
- make available to the employees of service providers, when in activity in the QGEP's facilities, the same healthy and safe conditions offered to our Employees.

Dealing with private agents and government officials

The dealing of our Employees with the government officials and private agents must be always based on good-faith, in which case they must

maintain, in any circumstances, the highest standards of integrity and ethical behavior. QGEP is committed to conducting its activities without resorting to the practice of any illegal conduct or to the receiving of undue advantages.

Therefore, our Employees:

- must ensure that the relations with government officials are always based on transparent, professional, honest, and ethical attitudes, with the immediate communication to the Compliance Manager of any form of pressure or solicitation, by government officials, which may compromise the collective interest or influence, in an undue manner, the exercise of the public office.
- must adopt the same attitude in relation to the private agents;
- must comply with the laws, rules, and regulations which govern the QGEP's transactions, as well as all the applicable laws in the country;
- must not receive, directly, or indirectly, any undue benefit from a supplier or company interested in businesses with QGEP (or even from third parties related to them) or from any private agent;
- must not take advantage from information from QGEP or from any other Employees in order to receive personal advantages, or to use business opportunities or prospection which have been identified by QGEP's companies, to take advantage from them;
- must ensure that no partner, distributor, consultant, or business agent is authorized or encouraged to make any undue payment in the name of QGEP;
- must monitor the conduct of suppliers, clients, consultants, distributors, business agents, or third parties related to QGEP, reporting any misconducts.

Relation with Competitors

QGEP believes in competitiveness as an essential item in the maintenance of our business. Our Employees must comply with the Antitrust rules, which have as their main objectives to promote the free market, to achieve efficiency, and to contribute to the growth and economic development of the sectors in which we perform.

Conflict of Interest

There is a conflict of interests when the personal interests of the Employees may interfere in the development of their professional activities or to be confronted with the legitimate interests of QGEP.

Our Employees must avoid circumstances which may generate conflicts between personal interests and QGEP's interests, and they must immediately inform of the existence of such real, potential, or apparent conflicts to the Compliance Manager.

Therefore, the performance of any Employee is forbidden:

- when, for reasons of personal character or because of third party related to the Employee, the activities which are being performed or which the Employee intends to perform may, directly or indirectly, diverge, confront, or violate the QGEP's interests;
- when the Employee receives or offers undue advantages deriving from the function or office occupied in QGEP.

Agreements executed by QGEP which somehow involve friends or persons to whom the Employees are related may be considered situations with conflict of interests. These situations are even more serious in case the Employee has, due to its competencies or responsibilities, some influence in the selection or execution of the contracting involving a friend or family member or legal entities in which the friends or family members have an interest. The Employees must pay attention to situations in which QGEP has the possibility of engaging natural persons or legal entities in conditions which are not conditions of independence which is the characteristic of the relations to third parties outside QGEP.

Therefore, the Employee must:

- ensure that the execution of these agreements (including employment agreements) are performed in market conditions and duly approved by the Executive Board;
- expressly inform its manager and the Compliance Manager of the existence of such relation of friendship or family before the execution of the agreement;
- to immediately inform its manager and the Compliance Manager of any relevant information which may prevent its participation in specific activities or projects.

Dealing with Shareholders

QGEP is a public company with shares listed in the New Market of BM&FBovespa, which gathers companies with practices of good corporate governance. The Relation with Investors (RI) is conducted by an area specifically created for such purpose at QGEP.

As a public company, QGEP and our Employees, by means of the RI Board, must:

- promote an open and direct communication with all our investors, regardless of their equity interest, providing information for the monitoring of the activities and for the development of the company, in a transparent manner, enabling the making of decisions and in the terms of the applicable laws and good practices of corporate governance;
- treat the confidential information, still not disclosed to the public, with absolute secrecy, protecting the market image of the company;
- support the investors in the understanding of the investment proposals, capital increases, and other issued which must be assessed and resolved by them;
- make sure that the accounting is based on qualitative and quantitative elements, identifying the economic, financial, social, environmental, and sustainability risks, also committing to the defense, proposal, and application of proper measures for the elimination or mitigation of the risks involved.

Businesses with Related Parties

The businesses and commercial relations with Related Parties² must be conducted in accordance with the applicable laws, best practices of corporate governance, with the due transparency, prioritizing the best interests of QGEP, avoiding abuses and the bad use of the assets of the company.

So as to ensure the transparency in the process to the shareholders, to the investors, and to the market, the Employees of QGEP must disclose the information on businesses and commercial relations with the Related Parties by means of periodic information, such as: its financial statements, result release, Reference Form, annual reports, or, if applicable, by means of Relevant Fact or Communications, all in the terms of the applicable laws and regulations.

² Related Parties are those natural persons or legal entities with which the Company has the possibility of executing an agreement in conditions which are not conditions of independence which characterize the transactions with third parties.

External Communication

All the professional contact with any press agency must mandatorily be previously authorized by the Area of Communication of QGEP.

No Employee must:

- give any kind of interview or consent to the taking of an image of himself/herself or his/her workplace, by video, audio, or photography without the previous authorization of the Area of Communication of QGEP;
- in his/her interaction in the social networks, to embarrass or expose QGEP and the other Employees, by means of comments, disclosure by photographs, videos, or audios, or any other means of visual record;
- disclose information related to the businesses and transactions of QGEP.

In their interaction with the communities surrounding their activities, the Employees must:

- maintain a respectful and transparent dialog, providing information for the monitoring of the activities, enabling the making of decisions and ensuring that the accounting be based on qualitative and quantitative elements;
- Maintain channels of communication to receive solicitations and ensure the timely answer to any solicitation.

CHANNELS OF COMMUNICATION

The suspicion of any activity performed in violation of this Code, of the policies, procedures, and regulations of QGEP, or in violation of the applicable laws at the time of the activity must be immediately informed to the Compliance Manager, who will investigate the facts.

The Employees who wish to make any communication or provide any information to the Compliance Manager may do so through the channels of communication and information disclosed in our electronic address www.qgep.com.br, in the Confidential Channel.

The communications must be made in a confidential and anonymous manner, in case the informant so wishes, with the guarantee of the anonymous nature and the protection necessary for the full information.

We appreciate the help of the Employees who identify possible problems which need to be investigated and we ensure the confidentiality of the issues dealt with. In addition to that, QGEP ensures that no Employee may suffer any kind of retaliation for making in good faith a communication regarding the violation of the applicable laws or of this Code. It is possible that some information be addressed to an external, independent, and specialized company, for purposes of investigation and preliminary analysis.

DISCIPLINARY MEASURES

If it has been demonstrated that any Employees violate or do not comply with the provisions of this Code, the policies, and procedures of QGEP, such Employees will be subject to the following disciplinary measures, according to the seriousness of the conducts and recidivism in the violation of the Code:

1. oral warning;
2. written warning;
3. suspension of up to 30 (thirty) consecutive days, if applicable; and/or
4. rupture of the relation existing between the company and the violator.

Regardless of the measures prescribed above, the Employees may be asked by the Compliance Manager to immediately interrupt inadequate or improper conducts, in the terms of this Code.

The CEO, aided by the report from the Compliance Manager, must decide and apply the adopted measures, which will be fair and in compliance with the labor rights.

In case the QGEP learns of any illegal action, it may, according to the circumstances, decide to report such conducts to the relevant authorities.

STATEMENT OF ADHESION TO THE CODE OF ETHICAL CONDUCT

All the Directors, members of the Executive Board, employees, temporary consultants, outsourced persons, interns, suppliers, in addition to all who represent QGEP, are responsible for learning, accepting, complying with, and disclosing this Code, in addition to watching for the compliance with its specifications.

They must also be attentive to the prevention and detection of conducts which are not compatible with this document, informing of any violations to the Compliance Manager.

The departments must engage their teams in the application of this Code, both in the adoption of an exemplary posture and in the active participation in order to disseminate and require the compliance with good practices of ethical conduct.

The Statement of Adhesion must be signed at the moment of implementation of this Code and the commitment of the Employees to their adhesion must be annually reinforced.

I, _____, in the capacity of _____ of QGEP, hereby declare to have received a copy of the Code of Ethical Conduct in force and to be aware of its contents, undertaking to fully adopt it during the execution of my attributions, as well as to maintain the secrecy of all information received in the development of my activities, also after the extinction of the relation with QGEP.

Rio de Janeiro, _____.

Signature: _____

Identity:

CPF (Tax Individual Number):
