



WEG S.A.

A PUBLICLY LISTED COMPANY

CNPJ 84.429.695/0001-11

MATERIAL FACT

PROPOSAL OF CAPITAL INCREASE WITH SHARES

WEG S.A. ("WEG") (B3: WEGE3 / OTC: WEGZY), in accordance to CVM Instruction number 381, is hereby informing its shareholders and the general market the Board of Directors, meeting on this date, Submit to the next Ordinary and Extraordinary Shareholders' Meeting, to be convocated on April 24th, 2018, capital increase proposal from R\$ 3,533,972,568.00 to R\$ 5,504,516,508.00, through the incorporation of part of Profit/Profit Retention Reserve for Investments in the amount of R\$ 1,970,543,940.00. This increase corresponds the issuance of 484,305,923 new common shares. As a result of this proposal, shareholders will receive, as a bonus, 3 (three) new common shares for each 10 (ten) shares held at the closing of the trading session at the date of O/EGM.

The Company stocks will be negotiated at B3 ex-bonus rights starting on April 25th, 2018. For purposes of Article 10 of the Brazilian Law 9.249, the cost attributed to the bonus shares is R\$ 4.0688 per share. The new shares shall be fully entitled to the rights as may be assigned from the fiscal year 2018, not having any rights with respect to the fiscal year 2017.

The bonus shares will be included to the shareholders position on April 27th, 2018, being available for consultation from April 30th, 2018 and shall have the same rights under the Company's bylaws and applicable law, to existing shares. Regarding the actions that can not be attributed entirely to each shareholders, shall be processed in accordance with Article 169, paragraph 3, of Law n. 6.404/76. Consequently, the Article 5 caput will be changed of the Bylaws.

Jaraguá do Sul, February 27, 2018

Paulo Polezi

Investor Relations Officer