

POLICY objectives

1. This **DISCLOSURES AND SECURITIES TRADING POLICY** (“**POLICY**”) establishes guidelines and procedures that guide the **WEG S.A.**, the WEG Group owned companies (“**WEG**” or “**the Company**”) and the Related Persons here defined, in:
 - 1.1. Identification, maintenance of confidentiality and appropriate disclosure of information which may be a Material Fact;
 - 1.2. Trading of securities issued by WEG or related to them.
2. This **POLICY** was developed in accordance with Brazilian Securities and Exchange Commission (“**CVM**”) regulations, including CVM Instruction No. 358, of January 3, 2002, such as modified by CVM Instruction No. 369/02 and 449/07, and the “Novo Mercado” Regulations of Bolsa de Valores, Mercadorias e Futuros (“**BM&F BOVESPA**”) Stock Exchange.
3. This **POLICY** can not be changed pending of Material Fact not disclosed yet.

Definitions

Securities issued by WEG

4. **Securities issued by WEG** are stocks, tradable rights, subscription receipts and the debentures issued and offered publically, as well as securities **DERIVATIVES**, whose values is referenced or derived from securities issued by WEG, these are issued by WEG or third parties.

Material Fact

5. Material Fact is any (i) decision of the Controlling Shareholders; (ii) deliberation of General Meeting or Directors; or (iii) any other material fact of political, administrative, technical, business or financial nature occurred or related to the Company which, individually or collectively, may come to significantly influence the price of securities issued by WEG or the decision of investors to purchase, sell, hold or exercise any rights inherent to the ownership of these securities, in accordance with the Law.

Privileged Information

6. Are **privileged information** those information’s about material fact until it has disclosed to regulators such as CVM, the stock exchanges and organized over-the-counter market, such as BM&F BOVESPA, and Shareholders and participants in the capital market in general, as indicated by this **POLICY**.

Blackout Period

7. The **Blackout Period** is the period during which, defined by Law, regulation or instruction of the Investor Relations Officer, the trading of securities issued by WEG is prohibited by Related Persons.

Related Persons to this POLICY

8. Are **Related Persons** to this POLICY those who, due of their position or function at WEG, have continued, frequent and repeated access to Privileged Information. Are Related Persons, among others:
 - 8.1. The direct and indirect controlling shareholders;
 - 8.2. Members of the Board of Directors;
 - 8.3. Members of the Fiscal Council;
 - 8.4. Members of the Executive Office;
 - 8.5. Members of any technical or advisory functions created by statutory provision;
 - 8.6. Any employee of WEG, if so determined by the Investor Relations Officer.

Related Persons Obligations

Duty to Accept the POLICY

9. Sign, in the contracting act, election, promotion, transfer, or when determined by the Investor Relations Officer, a formal document of adherence to the POLICY, which it claims to have knowledge of its terms and manifest commitment to observe them.
 - 9.1. The formal adherence to the POLICY should occur, regardless of the position or function occupied, whenever, the performance of specific job functions in the normal course of business, there are frequent and repetitive access to Privileged Information.

Duty of Confidentiality

10. Do not use Privileged Information that have access to, through negotiation with Securities Issued by WEG, or related thereto, take any kind of advantages for their own or third parties benefits.
11. Act diligently to preserve the confidentiality of the Privileged Information that have access to, observing the laws and other relevant regulations, as well as observe that its disclosure only occurs under the conditions established in this POLICY.
 - 11.1. Disclosure of Privileged Information to persons not affected to this POLICY should be limited to those absolutely necessary information to perform specific job functions in the normal course of business, only in the dimension

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needed for the intended purpose. The Affected Person responding with them in case of noncompliance with the conditions of this POLICY, in addition to:

- 11.1.1. In Case of WEG employees this disclosure of Privileged Information must always be preceded by an explanation about the confidential nature of such information and functional obligation of confidentiality;
- 11.1.2. In case of third parties not WEG employees, disclosure will be made only upon signature of the individual confidentiality term or contractual confidentiality clause.

Duty to Observe restrictions on Negotiation of Securities Issued by WEG

12. Not negotiate Securities Issued by WEG during the Blackout Period.

13. The Blackout Period will occur:

- 13.1. Between the 15th (fifteenth) day before to the day of the quarterly financial results disclosure (submission to CVM of Quarterly Financial Statements – ITR) and the annual financial results disclosure (submission to CVM of Standard Financial Statements – DFP);
- 13.2. While in progress of an acquisition or alienation of shares issued by WEG by WEG itself, its subsidiaries, affiliates or other companies under common control, or if an option or mandate for this purpose has been granted;
- 13.3. Whenever determined by the Investor Relations Officer, which can be partial, what it meant, applicable to such Related Persons who have knowledge of Privileged Information, or for all Related Persons.

14. The Blackout will run until the determined date previously established or for an indefinite period, until the formal notification of closure.

- 14.1. The Blackout must be respected even if during its currency occur a cessation of the connection between WEG and the Related Persons.

15. The Blackout does not apply to shares in trading out of stock exchange or over-the-counter market for the acquisition of treasury shares due to the exercise of stock option in accordance to the granting plan of options to purchase shares approved at the general meeting.

16. The Blackout apply to spouses and/or partners and any dependent included in the annual declaration of income tax of Related Persons previously defined.

Duty to Report Ownership and Negotiations

17. Related Persons shall report to the Investor Relations Officer the quantities, characteristics and acquisition form of securities issued by WEG, as well as any changes in the positions held, in the prescribed form by the regulations.

- 17.1. The initial communication shall be made immediately after entry the position;

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- 17.2.** Subsequent negotiations will be informed immediately after made, the Related Persons shall instruct the brokerage companies used for trading in order to provide this information to the Investor Relations Officer.

Duty to Report Relevant Dealing in Shares

- 18.** Shareholders who indicate job candidate to the Board of Directors or Fiscal Council, and remain elected by the General Meeting, as well as any natural or juridical person, or group of persons acting jointly or representing the same interest, that achieve participation, direct or indirect, which corresponds to 5% (five percent) or more of the shares representing WEG's capital, shall report to the Investor Relations Officer the complete information on the occurrence of events specified in legislation and/or relevant regulation.

Duties of Investor Relations Officer

Manage and Investigate Violations

- 19.** Manage the implementation of the POLICY and take the measures it considers necessary for its faithful compliance.
- 20.** Investigate cases of violation of this POLICY and instruct the appropriate sanctions for each case.

Control the Adherence and Trading

- 21.** Maintain specific, updated and individual control for all Related Persons, being responsible for providing this registration to the competent authorities whenever requested.
- 22.** Maintain specific and individualized control of quantities, characteristics and acquisition form of securities issued by WEG held by Related Persons, as well as any changes in these positions, which should be regularly communicated to the regulator authorities.
- 23.** Disclose and keep updated the calendar of corporate events, which should contain the dates for the release of its quarterly and annual financial results.
- 24.** Formally communicate the partial and eventual Blackout Periods for the Related Persons.

Define and Disclose Material Fact

- 25.** Analyze and characterize the Event or Fact as a Material Fact, as previously defined in this POLICY, and define the relevance and/or the necessity to disclosure it. Since there is no commitment of the confidentiality of information, the Investor Relations Officer can not make immediate disclosure of Material Fact if understand this to be the legitimate interest of the Company.

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- 26.** Elaborate the necessary material for disclosure the Material Fact, which should be clear, precise and accessible language to the public, including complete and timely information necessary for the perfect understanding of the situation.
- 26.1.** WEG mandatorily disclose their communications in Portuguese. For more convenience of the interested public, WEG provide, as soon as it is possible, the version of their releases for the English language and other it deems necessary;
- 26.2.** Only the Chief Executive Officer, the Investor Relations Officer or a person expressly designated by them shall be allowed to comment, clarify or detail the contents of the Material Fact disclosed. Comments, clarifications or detailing of Events or Facts not relevant or that which have already been subject of wide dissemination may be provided by other persons of WEG, obeying own policies for each case;
- 26.3.** Disclosure of Material Fact preferably occurs before or after the operating hours of regular trading session on the BM&F BOVESPA. In case if it is imperative that this disclosure be made during the business hours of the trading session, the Investor Relations Officer must request to the BM&F BOVESPA the suspension of the trading of securities issued by WEG for the necessary time for the properly dissemination of the relevant information.
- 27.** Supervise the disclosure of the Material Fact, in the following order of priority:
- 27.1.** At CVM, through electronic media established by this authority;
- 27.2.** At BM&F BOVESPA and, if applicable, to other stock exchanges and entities of the organized over-the-counter market;
- 27.3.** Directly to participants in the capital markets in general, with publication on a news portal on the world wide web (“Internet”), and electronic address maintained by WEG, www.weg.net/ri, in identical content to that sent to CVM and BM&F BOVESPA;
- 27.4.** In the media and communication vehicles additional to those previously mentioned, if such procedure is deemed appropriate, may in such cases be made in a summary form, indicating where full information is available.

Attend the Investors

- 28.** Attend the investors, analysts and the interested public, directly or by expressly indicated representative. Other employees will only maintain communication with investment professionals and other market participants when expressly authorized and orientated to do it by the Investor Relations Officer, in the presence of indicated representative.
- 28.1.** WEG’s representatives in attendance to shareholders and investors should stick only to those widely disseminated public information’s and not discuss or transmit Privileged Information;

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- 28.2.** During the 15 (fifteen) days preceding the publication of its financial results, in the dates defined in the calendar of corporate events registered at CVM and BM&F BOVESPA, WEG will not discuss, provide clarification or make projections of these results. This prohibition does not include discussion of information already publicly disseminated;
- 28.3.** WEG will not manifest itself about rumors, speculation, news or information's whose source is not clearly identified, unless, by the Investor Relations Officer decision, be understood that a formal manifestation of WEG can contribute to the maintenance of orderly negotiation of securities issued by WEG;
- 28.4.** WEG will not disclose projections of future results or make comments, testimonials or other judgments about the projected results prepared by third parties;
- 28.5.** WEG can disclose, in a timely manner, your expectations of operating performance for the next fiscal years. These expectations about the future performance are made by mere forward-looking projections and are based on management's expectations about the future, being highly dependent on market changes, the overall economic performance of the country and the sector and international markets, and are subject to changes;
- 28.6.** WEG may, through the usual ways in their investor relations activities, use or disclose the projected results prepared by third parties. This practice does not mean any appreciation, value judgment or validation about these results expectations;
- 28.7.** WEG does not assume any responsibility for investment recommendations, results projections, target price and other judgments and opinions about the securities issued by WEG issued by third parties.

POLICY Application

- 29.** Related Persons must comply with all obligations established by this POLICY for up to 6 (six) months after their dismissal or termination of the relationship with WEG.
- 30.** Noncompliance with established rules by this POLICY will subject the violator to disciplinary sanctions, in accordance with WEG internal rules and those provided in this item, without prejudice to administrative, civil and criminal sanctions where appropriate.
- 31.** Any Affected Person who becomes aware of its violation must immediately report the fact to the Investor Relations Officer. Failure to report violations to the POLICY is considered serious misconduct.

**APPENDIX I TERM OF AGREEMENT FOR CONTROLLING AND
MANAGEMENT**

DISCLOSURE AND SECURITIES TRADING POLICY OF WEG S.A.

[*Name, nationality, civil status, qualification*], resident and domiciled at [*address*], hereby responding as [*job position*] of [*controlled company*], declare to adhere the DISCLOSURE AND SECURITIES TRADING POLICY OF WEG S.A., which receive in this moment a copy; declare to know their terms and is obligated to observe it integrally. Declare be aware that eventual sanctions for violation of the aforementioned POLICY will be decided by the Board of Directors of the company.

[*City, Country*], [*Date*]

[*Name*]

APPENDIX II TERM OF ACCEPTANCE FOR EMPLOYEES

DISCLOSURE AND SECURITIES TRADING POLICY OF WEG S.A.

[*Name, nationality, civil status, qualification*], resident and domiciled at [*address*], hereby responding as [*job position*] of [*controlled company*], declare to adhere to the DISCLOSURE AND SECURITIES TRADING POLICY OF WEG S.A., which receive in this moment a copy; declare to know their terms and is obligated to observe it integrally. Declare be aware that eventual violation of aforementioned POLICY can be considered serious misconduct.

[*City, Country*], [*Date*]

[*Name*]