Code of Ethics

2nd edition

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“When you lack machines, you can buy them; if you do not have money, you can borrow it, but you cannot buy or borrow people and people who are motivated by an idea are the basis for success.”

Eggon João da Silva

Our Values

To ensure our continuous and sustainable growth, while maintaining the simplicity, we base our management practices on the following values:

- Human Company
  We value each individual contribution to our success, and we motivate people through integrity, ethics and constant support for personal development.

- Team Work
  Working as a team, we gather the knowledge, intelligence and skill to constantly improve the work and for the benefit of our customers.

- Efficiency
  Every day we work to make things better. All the products, processes and developments are guided by an increase in efficiency.

- Flexibility
  We will always develop new efficient ways to respond to situations of change and meet the needs of our customers.

- Innovation
  New ideas and technologies ensure the existence of the company. For that reason, we encourage and support a favorable atmosphere.

- Leadership
  Be a reference in the relationship with customers.

Considerations

The sustainability of our growth fundamentally depends on employees acting in an ethically correct manner. Besides the formal document, which is the Code of Ethics, WEG also respects the law and culture of each country in which it has presence.

To Whom the Code of Ethics Apply

WEG Code of Ethics describes the conduct expected from employees and administrators in the exercise of their activities in all WEG units of the world. In this document all units controlled directly or indirectly by this group, will be referred only as WEG.

Additionally, WEG encourages the stakeholders to apply the guidelines of the Code of Ethics to the following:

- Affiliate companies
- Suppliers
- Service Providers
- Sales Representatives/Distributors
- Dealers and technical assistants
- Customers
- Investors
- Community
- Government

Décio da Silva
Chairman of the Board of Directors

Harry Schmelzer Jr.
CEO – Chief Executive Diretor

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1. Compliance with Laws and Regulations

We observe the legislation in effect applicable to our activity, working to comply with it everywhere we operate and in the relationships we keep with all stakeholders. Therefore, we enable them to know and observe such legislation.

Expected conduct:

- Know the legislation applicable to your activities, and comply with it so that the businesses of WEG are not jeopardized.
- Ensure that the conduct will not be interpreted as noncompliant with the legislation in force.

2. Information

We respect confidentiality and ensure the integrity and availability of the information for which we are responsible.

Expected conduct:

- Keep confidential the restricted or classified information to which you may have access, or that may be entrusted to you due to your responsibilities and activities, be it under WEG or stakeholders ownership, including personal data from employees.
- Do not reproduce or disclose such information totally or in part, unless if authorized by the owner of the information or as required by law or adjudication.
- Do not use such information to obtain personal advantages or for third parties.
- Only provide information requested by stakeholders when you have the authority or is authorized by a supervisor to do so.
- Provide authorized information in a complete, precise, clear and timely manner.

3. Property

We use our property in a responsible and efficient manner to reach the objectives of WEG and to ensure its preservation.

Expected conduct:

- Ensure the proper use and conservation of the property, so that losses, damages or waste do not occur.
- Respect intellectual property, protected or not by copyright, patents or trademarks, such as drawings, projects, calculation spreadsheets, recordings, etc.
- Do not use the property of WEG for private purposes or for the benefit third parties.
- Communicate any cases of theft, fraud or non-authorized removal of WEG´s property.

4. Employees and Work Environment

We value the employees through participative management, the creation of opportunities for personal and professional development, qualification, recognition of good performance, remuneration and benefits. We permanently invest in safe and healthy environments with respectful internal relationships.

4.1 Performance, Education and Training

We ensure that the investments in qualification are made in a fair and strategically effective manner by evaluating the core and management competences of our employees.

Expected conduct:

- The employee must acquire and apply the knowledge, skills and attitude required for performing his/her job function.
- The employee is expected to take advantage of provided resources by WEG to acquire knowledge.
- The managers must make internal recruitment decisions in an impartial manner, free of favoritism and based on technical criteria.
- The managers must evaluate and orient individually and provide information that promotes the personal and professional development of the employees.

4.2 Discrimination in the Workplace

We respect the diversity and do not accept discrimination or prejudice of any nature, whether because of ethnic group, religion, culture, age, gender, political conviction, nationality, region, marital status, sexual orientation, or physical/intellectual condition.

Expected conduct:

- Keep relationships within the highest standard of human and professional respect, regardless of an employee´s position, employee´s performance or length of service at the company.
- In the recruitment, selection, performance evaluation, promotion and dismissal processes, people must be evaluated considering the job requirements.

4.3 Violence

We do not accept any kind of violence, in the work or leisure environment, or in any other activity offered by WEG.

Expected conduct:

- Do not attack physically or morally, nor cause any situation that may lead to a confrontation with anyone.
- Do not carry any kind of weapons in the premises of WEG, except if expressly authorized by the administration.

4.4 Kinship

We do not permit direct subordination of blood relatives and the like of first and second degree; for instance, spouses, parents, children, stepchildren, siblings, uncles/aunts, nephews/nieces and siblings-in-law.

4.5 Moral or Sexual Harassment

We do not tolerate any form of moral or sexual harassment, such as offensive insinuations, jokes, proposals or physical gestures. Subtle or explicit pressure to obtain favors, threats, intimidations, provocations and submission of individuals to humiliation or unjustified exclusion are also prohibited.

Expected conduct:

- Do not use the job, position or influence to harass, obtain personal benefits or any kind of advantage for oneself or other people.
- Administrators, managers and supervisors must be alert to restrain any situation of moral or sexual embarrassment involving their employees.

4.6 Use of Drugs and Alcoholic Beverages

We do not accept the carrying and use of illegal drugs and alcoholic beverages that may jeopardize the labor capacity, putting at risk the health and safety in the work environment and compromising the Company's result.

Expected conduct:

- Do not distribute, carry or consume any alcoholic beverages or illegal drugs in the premises of the company during the period on duty, or so that it may compromise one's conduct or professional performance.
- We prohibit people whose conduct or performance presents alterations because of the use of illegal drugs or alcoholic beverage to access or remain in the premises of the company.

4.7 Conflicts of Interests

We do not accept that the participation in any external activities conflict with the good performance of our functions or with the Company's interests.

Expected conduct:

- Do not perform external activities, whether remunerated or not, which may conflict with the interests of WEG or cause physical wear or emotional distress that may jeopardize one's conduct or professional performance.

- Do not influence or participate in operational, technical or commercial decisions with suppliers or customers in which the employee, his/her spouse or first or second degree relative has economic interest or influence in the negotiations.
- Do not trade products or services in the premises of the company, regardless of whether it is during working hours.

4.8 Exploitation of Adult or Child Labor

We neither adopt, nor approve the practice of forced or child labor under any circumstances, and we do not keep relationships with companies and people who disrespect this conduct.

Expected conduct:

- Denounce the existence of practices of forced or child labor.

4.9 Political Party Activities

We respect the freedom of participation in the political party process in the exercise of one's citizenship, and we participate in this process according to the legislation in force.

Expected conduct:

- Any political party initiative must take place after work hours and without using the resources, premises or name of WEG.

5. Suppliers and Service Providers

We consider our suppliers and service agents as our business partners that seek sustainable development, treating them equally, without any favoring and observing the principles of free market competition.

Expected conduct:

- Select suppliers and service providers based on technical and commercial criteria that optimize the cost effectiveness, their ethical posture and their social and environmental responsibility.

- Do not accept or ask any undue advantages, such as gifts, benefits or financial bonuses. Corporate gifts of compatible value – such as pens, appointment books, notepads, etc. – can be accepted.

6. Customers

We add value to our customers by supplying internationally-competitive products and services.

Expected conduct:

- Treat the customers equally, with respect, attention, pro-activity and agility when serving them.

7. Community

In our decisions, we take into account the analysis of the potential impacts on the life of the community, strengthening the economical, environmental and social development.

Expected conduct:

- Look for the participation in the community life through voluntary work, including the management of non-profit organizations to contribute to its development.
- Be aware of the potential impact resulting from the execution of one's tasks and act according to the procedures established by WEG.

8. Competitors

We believe in free, honest and fair competition as the basis for a competitive environment that meets the customer´s needs.

Expected conduct:

- Respect the competition and not defame it by using false, deceitful or illegal information.
- Do not frustrate, fraud, prevent or try to prevent the competitive character of tenders, or exclude a bidder from a public tender in an illicit way.
- Do not manipulate or fraud the economic-financial balance of the contracts executed with the government or any other party.

9. Shareholders and Stock Market, Finances and Accounting

We constantly improve our corporate governance practices, operating in a transparent, reliable and fair manner in the relationship with the stakeholders, observing legal requirements.

Expected conduct:

- Register all transactions that reflect the reality of the operations.
- Keep confidential, even in the relationship with friends and relatives, information about finances, sales, profits, new products or other subjects which have or may come to have influence on the decision to trade securities issued by WEG, as well as not trade such securities while this information is not publicly disclosed.
- Cooperate with auditors, providing the requested information in a transparent and reliable way.

10. Public Authorities

We keep relationship with the public authorities observing the good practices of corporate governance.

Expected conduct:

- Keep a good relationship with the public authorities with which one relates, being cooperative, under the terms of the legislation in force, always taking into account the legitimate interests of the company.

11. Trade Associations

We keep relationships with trade associations aiming to debate issues that may directly or indirectly affect the interests of WEG.

Expected conduct:

- Obtain prior authorization of WEG when representing the company in trade associations, such as Chambers of Commerce, trade unions and professional associations.

12. Communication

We conduct the communication with all stakeholders in a transparent and reliable way.

Expected conduct:

- Respect, in any relationship with the media, the disclosure procedures established by the administration of WEG, sending to the press office of WEG all requests from any media.

13. Corruption

We condemn corruption at all levels, as well as the offer of undue advantages of any kind.

Expected conduct:

- Do not accept corruption to obtain undue advantages in business transactions, for one's own benefit or for WEG.
- Do not promise, offer or give, direct or indirectly, undue advantages to any public agents or any related third party.
- Do not fund, pay, sponsor or in any other way help the practice of the illicit acts established by law regarding the subject.

14. Environment

We seek to avoid or minimize the environmental impact of our products and manufacturing process.

Expected conduct:

- Comply with applicable environmental legislation.
- Utilize materials whose proper use will not bring harm to health or the environment.

Violation of the Code of Ethics

The conducts described in this code must be practiced by all employees and/or administrators during the performance of their jobs, and WEG commits itself to providing the necessary conditions for that to happen.

The employee and/or administrator who do not observe the code or withhold information in the course of an investigation is subject to disciplinary actions.

Whoever observes or becomes aware of violations of this code or is not sure about its meaning, intention or application must report such situations or clarify the questions promptly.

If you become aware of any violation of the code, you must report it immediately to the available channels.
Do not be conniving!

Use the following channels to communicate:

- WEG website: www.weg.net – Contact us
- E-mail: weg-4747@weg.net
- Telephone lines:

  Call from Brazil – Employee---------- 4747
  Call from Brazil – Third parties----------(0xx47) 3276-4747
  Call from abroad – Employee and third parties---------- (+55 47) 3276-4747
  Note: Actions will be directed only if the contact is in Portuguese, English or Spanish.

- Letter: WEG – Audit Department
  Avenue Prefeito Waldemar Grubba, 3.300 – Vila Lalau
  Jaraguá do Sul – SC – Brazil CEP 89.256-900.

  Note: Any language can be used in case of communication through the website (Contact us), email or letter.

Employees can still communicate to their superior – supervisor, manager or director.

The provided information will be kept confidential, except for situations in which WEG has the legal obligation to inform the authorities.

WEG will not tolerate any retaliation or sanction against any person who, in good faith, reports violations or suspected violations of this code.

The Human Resources Director is responsible for the management of the Code of Ethics and the cases not included in the code, will be discussed by the Commission of Management of the Code of Ethics.

When in doubt, what to do?

There will be daily situations not covered by the conducts expected from the employee described in this code. This may cause uncertainty about what must be done.
In this case, you might often have heard or read, or you may even think the following way:

- Only this time...
- No one will know...
- Everyone does that...
- It can be concealed...
- This conversation has never happened...
- This does not seem to be a meeting...

In such situations, in order to obtain guidance, read again the first paragraph of the relevant item of the code and check if there are any conflicts. If necessary, answer the following questions:

- Is it legal to do what you are thinking about doing?
- Is this action impartial and honest?
- Will this action be questioned after some time?
- How will I feel later?
- What would that look like on the first page of the newspapers?
- What would I advise my children to do?
- How would I feel if my family, friends and neighbors knew about it?

We must not remain passive when we face those situations of uncertainty. Answering those questions will help to choose the best conduct in those cases or recognize that there is a violation of the code, which must be reported.

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