	Corporate Procedure Number: IMCP-0050
	Subject: Gifts, Meals & Entertainment
	Date Issued: March 11, 2016
	Effective Date: March 11, 2016
Activity: General	Revision Level: Original

I. GENERAL STATEMENT / PURPOSE

In appropriate circumstances, the exchange of business courtesies, such as small gifts, meals and entertainment can help strengthen business relationships and further business objectives. The purpose of this Gifts, Meals & Entertainment Procedure (the “**Procedure**”) is to permit the provision of business courtesies so long as they are of modest value, are the type customarily given in a business relationship, are not given for any purpose prohibited by the Iochpe-Maxion Ethics and Anti-Corruption Procedure (IMCP-0044) and do not create the appearance of a conflict of interest or any other corrupt intent.

This Procedure provides rules regarding when business courtesies can be provided, or accepted, and when their receipt must be disclosed. Business courtesies that are given to a member of the immediate family (parents, siblings or children) of an employee are to be treated as if they were given directly to the employee.

II. SCOPE AND APPLICABILITY


This Procedure is applicable to Iochpe-Maxion S.A. and its subsidiaries, joint ventures and operations worldwide, including, but not limited to, the Maxion Wheels and the Maxion Structural Components business divisions (collectively referred to as “**Iochpe-Maxion**” or the “**Company**”).

In addition to this Procedure, the Company also maintains Employee Expense procedures that provide Company policies related to travel and other employee expenses (IMCP-0010). Those guidelines are to be followed, in addition to the compliance procedures contained herein, where applicable.

III. TERMS OF PROCEDURE

1. Acceptance of Business Courtesies

The Company recognizes that it is customary for suppliers, customers, and other business partners to, on occasion, provide gifts, meals or entertainment as a business courtesy. Such business courtesies are allowed provided that they are of modest value, and are not given in a manner that could be perceived as a *quid pro quo* for the award of any business or as a means of inducing a breach of trust or impartiality on the part of the recipient. It is important that the provision of these types of business courtesies does not cloud

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business judgment or give the appearance of a conflict of interest. Adherence to this Procedure is also important because the improper giving or acceptance of business courtesies could be construed as a violation of the Foreign Corrupt Practices Act (the “FCPA”), the U.K. Bribery Act or other anti-corruption laws if it appears that the purpose of the business courtesy was to induce a breach of trust.

As a general rule, the value of an individual business courtesy may not exceed US\$150, unless otherwise provided in this Procedure. When this level is anticipated to be exceeded, prior permission of the Legal Department is required before the provision or receipt of the business courtesy. In addition, multiple business courtesies with a value under the cut-off amount may not be accepted or given between the same persons when the total value of the multiple business courtesies would exceed US\$150.

2. Providing or Accepting Gifts


Company personnel may give gifts to suppliers, customers, or other business partners, or receive them, provided that the gift:

- Has a value equal to or less than US\$150 (or has been approved by the Legal Department);
- Is lawful under all applicable laws;
- Would not embarrass the Company if disclosed publicly;
- Does not create the appearance that the gift giver is entitled to preferential treatment; and
- Would not influence, or reasonably appear to influence, the recipient’s ability to act in the best interest of his or her company or prevent the recipient from awarding business to one of the gift giver’s competitors.

The following gifts are never permitted:

- Gifts given or received in a manner that is reasonably likely to be perceived as a *quid pro quo* for the award of any business;
- Travel, unless directly related to a current business purpose and in compliance with Section III.4. of this Procedure;
- Gifts of cash or cash equivalents, such as gift cards; and/or
- Gifts that are requested by the recipient.

Employees who receive a gift with a value in excess of that permitted by this Procedure at a ceremony or other event, where it would be awkward or considered impolite to

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publicly refuse, may accept the gift, provided it is reported to the Legal Department without undue delay to determine the best course of action.

No gifts may be made to Government Officials¹ without the prior permission of the Legal Department.

3. Providing or Accepting Meals and Entertainment

Company personnel are allowed to provide or accept meals and entertainment (including concert, theater and sports tickets, and the like) where it:

- Is reasonable and appropriate in the context of the business relationship;
- Is lawful under all applicable laws;
- Would not embarrass the Company if disclosed publicly;
- Does not create the appearance that the host of the meals or entertainment is entitled to preferential treatment; and
- Would not influence, or appear to influence, the recipient's ability to act in the best interest of his or her company or prevent the recipient from awarding business to one of the competitors of the host of the meal or entertainment.


The following meals and entertainment are never permitted:

- Meals or entertainment given or received in a manner that is reasonably likely to be perceived as a *quid pro quo* for the award of any business; and/or
- Meals or entertainment requested by the recipient.

Unlike the case with gifts, the Company does not impose a limit on the value of meals and entertainment when the host is present so long as they are reasonable and appropriate in the context of the business relationship. However, when the value limit on gifts is exceeded, careful consideration must be given as to whether the expenditure is in fact reasonable and appropriate. Employees must consult the Legal Department when in doubt as to whether an expenditure is reasonable and appropriate.

This Section III.3. applies to situations in which the host is present. Meals and entertainment that are provided without attendance by the host are gifts, and must meet the requirements of the gift guidelines in Section III.2. of this Procedure.

¹ For the definition of "Government Officials", please refer to the Iochpe-Maxion Ethics and Anti-Corruption Procedure (IMCP-0044).

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4. Providing or Accepting Travel Expenses

Infrequently, it may be appropriate for customers, suppliers, or other business partners to pay for travel-related expenses for Company personnel, or for Company personnel to pay for travel expenses of customers, suppliers, or other business partners. Such travel will be permitted if the travel is necessary for a legitimate business purpose and:


- In the case of travel provided by the Company to personnel of its business partners (i) the travel is exclusively to an office or facility of the Company and (ii) the travel arrangements comply with the terms of the Iochpe-Maxion Employee Expense procedure (IMCP-0010); or
- In the case of travel provided by a business partner to Company personnel (i) the travel is exclusively to an office or facility of the business partner and (ii) the travel arrangements comply with the terms of the business partners travel expense policy.

Travel provided by the Company to personnel of business partners or by business partners to the Company personnel that does not meet the above requirements must be approved by the Legal Department in advance. In reviewing the travel request, the Legal Department will consider whether:

- The primary purpose of the travel is business-related;
- The class of travel and accommodations is appropriate in the business context;
- The proposed expenditures comply with Brazil, United States and local laws and customs; and
- Whether the itinerary includes travel that is not necessary for the business purpose.

Paid-for travel for family members generally is inappropriate. In no event is it permissible for Company personnel to accept or provide a trip that is not necessary for a business purpose.

An EXCEPTION to this Procedure provision exists in cases where the Company is contractually obligated to pay for vendor travel to the Company's locations to perform work under the contract. Such expenditures may be made pursuant to the terms of the contract and do not require prior approval.

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5. Books and Records

All expenses related to the provision of gifts, meals and entertainment, and travel must be reported using the appropriate disbursement and reimbursement procedures normally maintained by the Company, including an accurate description of the business courtesy sufficient to allow an understanding of its business purpose, the persons receiving it, and an accurate and full accounting of the amount of the expense.

6. Reporting Violations of this Procedure

All Iochpe-Maxion employees are encouraged to and have the responsibility to report any actual or suspected violations of this Procedure to the Head of Internal Audit and the Legal Department or anonymously via e-mail to ethics@iochpe.com.br or call at +55 11 5508 3817 or go to <http://iochpe.mediagroup.com.br/PT/Manifestacao/Enviar> (in Portuguese) or <http://iochpe.mediagroup.com.br/EN/Manifestation/Send> (in English).

Any violation of this Procedure may provide reasonable grounds for disciplinary actions, up to and including termination of employment.

7. No Retaliation

Iochpe-Maxion will not tolerate any retaliation (i.e., any adverse employment action, such as demotion or termination) against an employee who honestly reports an issue or concern regarding actual or suspected violations of this Procedure. Such retaliation itself is considered a violation of this Procedure, and will lead to disciplinary action, up to and including termination of employment.