


## Report on the Brazilian Corporate Governance Code – Publicly Held Companies of Localiza Rent a Car S.A. (“Company”)

Information base date: July 29, 2022

			
Principle	Recommended Practice	Was it adopted?	Explanation
<b>1. Shareholders</b>			
1.1 Shareholding structure	1.1.1 The share capital should be comprised only of common shares.	Yes	[Nothing to add]
1.2 Shareholders' agreements	1.2.1 Shareholders' agreements should not bind the exercise of voting rights of any members of management or supervisory and control bodies.	Partially	<p>In connection with the Business Combination with Unidas, consummated on July 1, 2022, the Voting Agreement entered into between the founding shareholders of Localiza and the founding shareholders of Unidas on September 22, 2020, which are now considered reference shareholders of Localiza, became effective on this date.</p> <p>The Voting Agreement, with a term of six years, binds 22.69% of Localiza's capital, of which 16.21% is held by the block composed of the four founding shareholders of Localiza and 6.48% is held by the block formed by Unidas' founding shareholders (as per shareholding position on that date) and reinforces the commitment of both founding blocks and new reference shareholders to the success and good governance of the combined Companies.</p>
1.3 General Meeting	1.3.1 The executive board should use the general meeting to communicate how the company's business is being conducted, for which reason management should publish a handbook with the purpose of facilitating and stimulating participation at general meetings.	Yes	[Nothing to add]
	1.3.2 Minutes should enable full understanding of the discussions occurred during the meetings, even if they are recorded in summary form, and identify the votes cast by the shareholders.	Yes	[Nothing to add]
1.4 Anti-takeover mechanisms	1.4.1 The board of directors should conduct a critical analysis of the advantages and disadvantages of the anti-takeover mechanism and its characteristics, and especially of the triggers and price parameters, if applicable, providing the related explanations.	Yes	<p>As of April 25, 2012, the Company's Bylaws have an anti-takeover mechanism for conducting a takeover (“Tender Offer”) through achievement of a relevant shareholders position, which was ratified at the Extraordinary General Meeting held on April 29, 2019 when certain modifications were approved in the Company's Bylaws. See article 34 of the aforementioned Bylaws available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company's Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>).</p> <p>The Board of Directors' critical analysis regarding the advantages and disadvantages of such anti-takeover mechanism was included in the Management Proposal of the Extraordinary General Meeting held on April 25, 2012, which was submitted to the shareholders approval, for the purposes of definition on amendments to the Bylaws. Such proposal contains Management's analyses and explanations with respect to the inclusion of the anti-takeover mechanism and is published on the website of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>).</p>
	1.4.2 Provisions that prevent removal of the measure from the bylaws, the so-called “entrenched clauses”, should not be used.	Yes	[Nothing to add]
	1.4.3 If the bylaws determine that a tender offer should be carried out, whenever a shareholder or group of shareholders directly or indirectly achieves significant participation in the voting capital, the rule for determination of the offer price should not impose addition of premiums substantially greater than the economic value or market value of the shares.	Yes	<p>The Company does not impose addition of premiums higher than the economic or market value of the shares.</p> <p>As established in paragraph 2 of article 34 of the Company's Bylaws, approved at the Extraordinary General Meeting held on April 26, 2022 and available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company's Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>), “The acquisition price per share that is the object of the PTO for Attaining Material Interest (“PTO Price”) cannot be lower or higher than the highest amount between: (i) the fair price; and (ii) the highest price paid by the New Material Shareholder in the twelve (12) months before the Material Shareholding Interest, adjusted for corporate events such as the distribution of dividends or interest on capital, stock splits, reverse splits, bonuses, except those related to corporate restructuring, as well as duly restated by the SELIC basic interest rate.”.</p>

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1.5 Change of control	1.5.1 The company’s bylaws should provide that: (i) transactions where there is direct or indirect transfer of control should be followed by a tender offer directed to all shareholders, for the same price and in the same conditions obtained by the selling shareholder; (ii) management should issue an opinion on the terms and conditions of corporate reorganizations, capital increases, and other transactions that result in change of control, and state whether they ensure fair and equitable treatment to the company’s shareholders.	Yes	[Nothing to add]
1.6 Management opinion in Tender Offers	1.6.1 The bylaws should provide that the board of directors should issue an opinion in relation to any tender offer related to shares and securities convertible into or exchangeable for shares of the company, which shall contain, among other relevant information, opinion of the board of directors on the acceptance of the tender offer and on the company’s economic value.	Yes	[Nothing to add]
1.7 Profit allocation policy	1.7.1 The company should prepare and disclose a profit allocation policy established by the board of directors. Among other aspects, such policy should provide the frequency of payments and the reference parameter to be used for definition of the related amount (percentage of the adjusted net profit and of the free cash flow, among others).	Yes	[Nothing to add]
1.8 Mixed-capital companies	1.8.1 The bylaws should clearly and precisely identify the public interest that justified the creation of the mixed-capital company, in a specific chapter.	Not applicable	[Nothing to add]
	1.8.2 The board of directors should monitor the company’s activities and establish policies, mechanisms, and internal controls for verification of any costs of serving the public interest and any refunds to the company or other shareholders and investors by the controlling shareholders.	Not applicable	[Nothing to add]

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<b>2. Board of Directors</b>			
2.1 Attributions	2.1.1 The board of directors, without prejudice to other legal or statutory attributions and to other practices foreseen in this Code, should: (i) define business strategies, taking into consideration the impacts of the company’s activities on society and the environment, seeking the company’s continuity and long-term value creation; (ii) periodically assess the company’s risk exposure and effectiveness of the risk management systems, internal controls, and of the integrity/compliance system, and approve a risk management policy compatible with the business strategies; (iii) define the company’s values and ethical principles and ensure the company’s transparency maintaining the relationship with all stakeholders; (iv) annually review the corporate governance system and seek improvement thereof.	Yes	<p>The Board monitors, through an annual agenda, the matters for which it is responsible that need to be addressed throughout the year. Such matters are discussed, monitored and reviewed pursuant to the legal requirements and statutory provisions.</p> <p>Additionally, the Company counts on the following Committees, which report to the Board of Directors (i) Audit, Risk and Compliance; (ii) People and Compensation; and (iii) Governance and Sustainability, which help monitoring, together with the Company’s Management, each of the recommended practices, as follows:</p> <p>(i) Definition of business strategy According to item 1 of the Internal Regulation of the Board of Directors, approved at the Meeting of the Board of Directors held on March 10, 2020 and available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company’s Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>), the Board of Directors has a primary mission to provide guidelines and monitor the business strategy in order to protect and enhance the Company’s equity and optimize the creation of long-term value for all shareholders, considering the interests of the Company and other stakeholders. It is about optimizing long-term returns and corroborating with the implementation and monitoring of governance and management practices.</p> <p>(ii) Risk assessment According to article 12 (ee) of the Bylaws, approved at the Extraordinary General Meeting held on April 26, 2022 and available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company’s Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>), the Board of Directors is responsible for periodically assessing the Company’s risk exposure and the effectiveness of the risk management systems, internal controls and integrity/compliance system.</p> <p>(iii) Definition of values and principles According to article 12 (gg) of the Bylaws, the Board of Directors is responsible for defining the Company’s values and ethical principles and ensure maintenance of the issuer’s transparency in the relationships with all stakeholders.</p> <p>(iv) Revision of the corporate governance system According to article 12 (hh) of the Bylaws, the Board of Directors is responsible for annually reviewing the corporate governance system, aiming at improving it.</p> <p>See further details on the attributions of the Board of Directors and the committees reporting to it in item 12.1 of the Company’s 2022 Reference Form (Version 2, filed with CVM on July 12, 2022).</p>
2.2 Composition of the board of directors	2.2.1 The bylaws should provide that: (i) the board of directors should be composed of a majority of external members, where at least one third shall be independent members; (ii) the board of directors should assess and disclose annually who the independent members are, as well as indicate and justify any circumstances that could compromise their independence.	Partially	<p>(i) The paragraph 7 of article 11 of the Company’s Bylaws, approved at the Extraordinary General Meeting held on April 26, 2022 and available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company’s Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>), the Company follows the guidelines of the Novo Mercado Regulation, which, pursuant to its article 15, establishes that the Board of Directors should be composed of at least two independent members or 20%, whichever is greater. However, in practice, 62.5% of the members of the Company’s Board of Directors whose terms are in effect on the date of submission of this Report independent.</p> <p>(ii) The Company’s independent members are characterized as independent pursuant to the Novo Mercado Regulations. Paragraphs 9 and 10 of article 11 of the Company’s Bylaws, approved at the Extraordinary General Meeting held on April 26, 2022, include requirements that should be considered for purposes of classification of the board members.</p> <p>The Company discloses the composition of the Board of Directors, indicating the independent members, in item 12.5/6 of the Reference Form and on the Company’s Investor Relations website (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>).</p>


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	2.2.2 The board of directors should approve an appointment policy establishing: (i) the procedure for appointment of the members of the board of directors, including indication of participation in other corporate bodies of the company in such proceeding; (ii) that the board of directors should be composed taking into consideration the time availability of its members for exercise of their duties and diversity of knowledge, experiences, conducts, cultural aspects, age, and gender.	Yes	<p>At the Meeting of the Board of Directors held on April 28, 2021 a Policy on Nominating Members to the Board of Directors, its Advisory Committees and Statutory Executive Board was approved. Such policy is available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company's Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>) and aims at establishing minimum requirements for appointing such members.</p> <p>(i) According to the aforementioned Policy, the appointment of members to the Board of Directors will be made by the Board of Directors, with the support of the Governance and Sustainability Committee or any shareholder of the Company, under the terms of the Brazilian Corporation Law.</p> <p>The Governance and Sustainability Committee will evaluate and nominate candidates for the Board's assessment, based on the assessment of the Board of Directors and its Committees, carried out annually with the support of independent external experts. This assessment, which must also be considered by the Board, will enable an indepth view of the body, also including the individual analysis of the directors. As a product, the Committee analyzes the results and models the composition of the Board of Directors with regard to independence, diversity and mix of competences, that is, in light of the requirements described in this policy.</p> <p>The members of the Board of Directors, after analyzing the list of candidates presented by the Governance and Sustainability Committee [including any eventual nominations from shareholders] and after performing a background check of the new nominations, will recommend the names to be submitted for approval by the meeting.</p> <p>The members of the Committees will be elected at each new election of the Board of Directors for a unified term. They will be chosen from Board of Directors members and professionals with proven knowledge in the field.</p> <p>(ii) The aforementioned Policy also establishes that the proposal for the election of the members of the Board of Directors should consider the time availability of its members for exercising their duties, the diversity of knowledge, behaviors, cultural aspects, age group, gender, their experience, participation, contribution, attendance at the meetings during the previous term, the efficiency of the body and complementarity of their functions, as well as pointing out possible points of improvement in its composition.</p>
2.3 Chairman of the board	2.3.1 The CEO should not accumulate the position of chairman of the board of directors.	Yes	[Nothing to add]

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2.4 Evaluation of the board of directors and board members	2.4.1 The company should implement an annual performance evaluation process for the board of directors and its committees, for the board members, considered individually, and of the governance department, if any.	Yes	<p>The Board of Directors and its respective Committees, such as collegiate boards, are evaluated annually by independent external consulting firm specialized contracted for this purpose, through completion of a Company form, considering topics such as: (i) quality, amount and variety of information received on strategic topics; (ii) performance of the Board of Directors and the committees; (iii) preparation of a long-term strategy; (iv) monitoring of the implementation of the long-term strategy, among others.</p> <p>Additionally, the biannual individual evaluation of members of the Board of Directors is performed, considering topics such as: (i) knowledge of the Company’s business; (ii) participation in discussions and attendance; (iii) presentation of topics for meetings, among others. For the evaluation, the active contribution to the decision-making process and the commitment to the exercise of the duties inherent in the position are also taken into account.</p> <p>In the individual performance evaluations of the Board of Directors members and Committees, which are implemented as self-evaluations and peer evaluations, the strengths and weaknesses of evaluated members are raised. Based on such points, a plan for individual development of members is created by the People Office, under the coordination of the People and Compensation Committee, which aims at developing and improving the evaluated person and the bodies in which they participate.</p> <p>The Company currently has a governance office that is under the care of the Legal Department, structured with people dedicated to the subject, and evaluated by the Chairman of the Board of Directors. It is the responsibility of this governance office to provide all the support in the interface of the committees and the Board of Directors with the Executive Board and other key areas.</p>
2.5 Succession planning	2.5.1 The board of directors should approve and continuously update a succession plan for the CEO, preparation of which should be coordinated by the chairman of the board of directors.	Yes	<p>The Company has a Succession Plan for the CEO, approved on March 22, 2018 and lastly updated on October 24, 2018 by the People and Compensation Committee, under the coordination of the Chairman of the Board of Directors.</p> <p>Such Plan is filed at the Company’s headquarters.</p>
2.6 Integration of new board members	2.6.1 The company should have an integration program for new members of the board of directors, structured in advance, so that such members are introduced to the company’s key people and facilities, and which addresses issues that are key for understanding the company’s business.	Yes	<p>According to item 5.14 of the Internal Regulation of the Company’s Board of Directors approved at a meeting held on March 10, 2020 and available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company’s Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>), it is incumbent upon the Chairman and Vice-Chairman of the Board: “To organize, together with the CEO and the Secretary of the Board, upon the election of a new member of the Board, a program for the integration of the new member, allowing you to get in touch with activities and obtain information about the organization.”</p> <p>The Integration Program for Members of the Company’s Board of Directors and Executive Board was approved by the Board of Directors at the meeting held on October 24, 2018.</p> <p>The purpose of this Program is to provide guidelines for the introduction of new Board of Directors and Executive Board members to the Company’s key persons and facilities, as well as essential topics for understanding the business, including the following topics:</p> <ul style="list-style-type: none"> <li>- Company presentation: history, purposes and values, fundamental aspects of the organizational culture and overview;</li> <li>- Organizational chart: organizational chart of the Company, its subsidiaries and shareholding structure;</li> <li>- Presentation of the areas: technical aspects of the business and presentation of the business, corporate and supporting areas and communication channels;</li> <li>- Legal aspects: policies, standards and procedures, documents of mandatory knowledge, portals of access to documents and information, compliance training and presentation of the Internal Audit area;</li> <li>- Infrastructure: general guidelines regarding the facilities and visit to the headquarters and branches; and</li> <li>- Others: presentation of the annual budget and strategic planning.</li> </ul>

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2.7 Compensation of the members of the board of directors	2.7.1 The compensation of the members of the board of directors should be proportional to the attributions, responsibilities and time demands. There should be no compensation based on meeting attendance and the variable compensation of the members of the board, if any, should not be tied to short-term results.	Yes	[Nothing to add]
2.8 Internal regulation of the board of directors	2.8.1 The board of directors should have a internal regulation that sets forth its responsibilities, attributions, and rules of operation, including: (i) the attributions of the chairman of the board of directors; (ii) the rules for replacement of the chairman of the board of directors in the event of absence or vacancy; (iii) the measures to be adopted in the event of conflicts of interest; and (iv) definition of a suitable advance term for receipt of the material for discussion at meetings, in appropriate detail.	Yes	[Nothing to add]
2.9 Meetings of the board of directors	2.9.1 The board of directors should establish an annual calendar with the dates of the ordinary meetings, which should not be less than six and more than twelve, in addition to calling extraordinary meetings, whenever necessary.	Yes	[Nothing to add]
	2.9.2 The meetings of the board of directors should foresee regular exclusive sessions for external board members, without the presence of the executive board members and other guests, for alignment of the external board members and discussion of topics that could lead to any awkwardness.	Yes	[Nothing to add]
	2.9.3 The minutes of the meetings of the board of directors should be written in clear language, record the resolutions taken, the persons in attendance, the split votes, and any abstentions.	Yes	According to item 7.8 of the Internal Regulation of the Company’s Board of Directors approved at the Meeting of the Board of Directors held on March 10, 2020 and available on the websites of the Brazilian Securities and Exchange Commission ( <a href="http://www.gov.br/cvm">www.gov.br/cvm</a> ) and the Company’s Investor Relations ( <a href="http://www.localiza.com/ri">www.localiza.com/ri</a> ): “Resolutions will be registered in minutes, clearly written, including the decisions made, persons present, diverging votes and vote abstentions, registered in the proper book and, in order to be effective to third parties, extracts of the minutes will be filed with the Commercial Registry and published pursuant to the applicable standard.”.
<b>3. Executive Board</b>			
3.1 Attributions	3.1.1 The executive board, without prejudice to its other attributions provided by law, the bylaws and other practices set forth in this Code, shall: (i) implement the risk management policy and, when necessary, propose to the board of directors any necessary revision of such policy, as a result of changes in the risks to which the company is exposed; and (ii) implement and maintain effective procedures and programs for monitoring and disclosure of the financial and operating performance and of the impacts of the company’s activities on society and the environment.	Yes	[Nothing to add]
	3.1.2 The executive board should have an exclusive charter that establishes its structure, operation and its roles and responsibilities.	Yes	[Nothing to add]
3.2 Appointment of executive board members	3.2.1 There should be no reservation of executive positions or managerial positions for direct appointment by shareholders.	Yes	[Nothing to add]

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3.3 Evaluation of the CEO and the executive board	3.3.1 The CEO should be evaluated, on an annual basis, in a formal process conducted by the board of directors, based on achievement of financial and non-financial performance goals established by the board of directors for the company.	Yes	<p>The formal process of evaluation of the Company’s CEO is annual and is conducted by the Board of Directors at the beginning of the year following the evaluated year.</p> <p>The evaluation of the Company’s CEO for the year 2021 was performed at the meeting of the People and Compensation Committee and reported to Board of Directors on April 29, 2022, according to the minutes filed at the Company’s headquarters.</p>
	3.3.2 The results of the evaluation of the other officers, including the CEO’s propositions regarding the goals to be agreed and the permanence, promotion or dismissal of the executives in relation to their respective positions, should be submitted to, reviewed, discussed and approved by the board of directors.	Yes	<p>The formal process of evaluation of other statutory executive board of the Company is conducted annually, at the beginning of the year following the evaluated period, by the CEO, who recommends to the People and Compensation Committee and to the Board of Directors the approval of the evaluation.</p> <p>The evaluation of other officers for the year 2021 was performed at the meeting of the People and Compensation Committee and reported to Board of Directors on April 29, 2022, according to the minutes filed at the Company’s headquarters.</p>
3.4 Executive board compensation	3.4.1 The executive board’s compensation should be established by means of a compensation policy approved by the board of directors through a formal and transparent process that takes into consideration the costs and risks involved.	Yes	<p>The Compensation Policy for the Company’s Executive Board, approved at the Meeting of the Board of Directors held on July 29, 2021 and available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company’s Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>), aims at establishing the criteria for compensation of the Company’s Officers, in order to use compensation as an effective tool to attract, encourage and retain Officers and ensure that it is structured in a fair manner and is compatible with the functions and risks inherent in each position, providing alignment of its interests with the Company’s long-term interests.</p> <p>For further details on the policy and practices for compensation of Management, see item 13.1 of the Company’s 2022 Reference Form (Version 2, filed with CVM on July 12, 2022).</p>
	3.4.2 The executive board’s compensation should be tied to results, with medium and long-term goals clearly and objectively related to creation of long-term economic value for the company.	Yes	<p>The Company offers to statutory executive board long-term incentive plans, which are part of the strategy of long-term incentives aimed at generating consistent results over the years, since the vesting period for the participant is between three and ten years. There exists an incentive for the participant to remain with the Company, through the creation of a real sense of ownership, in the pursuit of future gains due to the appreciation of the stock in the market, driven by the short-, medium- and long-term results. This involvement of the participant in the financial success of the Company creates in them the attitude of shareholders, constantly pursuing greater efficiency and better results, through decisions capable of generating consistent and sustainable results.</p> <p>The adherence to each program is voluntary, entailing awareness and acceptance by the participant of the burden and risk of loss on the investment, including blocking shares trading during a certain period, as well as other risks involving investments in Company’s shares.</p> <p>To join some of the long-term incentive plans, participants must have invested in advance in the common shares of the Company using certain percentage of their annual compensation or profit sharing received for the year prior to their joining the plan. The profit sharing, in turn, is defined based on a combination of the Company’s results and the participant’s individual performance, which is measured based on managerial indicators and in objective and measurable targets derived from the management contract and annual budget approved by the Board of Directors.</p> <p>For further details on the compensation practices for Officers, see item 13 of the Company’s 2022 Reference Form (Version 2, filed with CVM on July 12, 2022).</p>

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	3.4.3 The incentive structure should be in line with the risk limits established by the board of directors and should prohibit a single person from controlling the decision making process and its respective inspection. Nobody should decide his or her own compensation.	Yes	<p>As established in the Compensation Policy for the Company’s Management, approved at the Meeting of the Board of Directors held on July 29, 2021 and available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company's Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>), the global compensation of members of the Board of Directors and Statutory Executive Board supported by Localiza is approved at the General Meeting of Shareholders, from a proposal prepared by the Board of Directors based on a recommendation of the People and Compensation Committee. The Board of Directors is responsible for establishing the individual amounts for each officer, as set forth in the Company’s Bylaws, approved at the Extraordinary General Meeting held on April 26, 2022. Accordingly, the Executive Board does not participate in the process for approval of their compensation.</p> <p>For further details on the compensation practices for Officers, see item 13.1 of the Company’s 2022 Reference Form (Version 2, filed with CVM on July 12, 2022).</p>

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<b>4. Supervisory and Control Bodies</b>			
4.1 Audit Committee	4.1.1 As regards the audit committee: (i) its attributions shall include assisting the board of directors in monitoring and controlling the quality of the financial statements, internal controls, risk management and compliance; (ii) it shall be formed mostly of independent members and be coordinated by an independent member of the board; (iii) at least one of its independent members shall have proven experience in the accounting – corporate field, in internal controls, finance, and audit, cumulatively; and (iv) it shall have a dedicated budget for procurement of advisors for accounting, legal or other matters, when the opinion of an external expert is necessary.	Yes	<p>The article 13, paragraph 5 of the Company’s Bylaws, approved at the Extraordinary General Meeting held on April 26, 2022 and available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company's Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>), establishes that the Board of Directors should designate a permanent Audit Committee. The article 21 of the Bylaws establishes that the Audit Committee shall comprise a minimum of three members, with at least one independent member and at least one with recognized experience in corporate accounting.</p> <p>Currently, all members of the Committee are independent, of which two are members, including the coordinator. The Referred committee, don't have deliberative or management power, and have a member with recognized experience in corporate accounting, pursuant to CVM Resolution 23/21, as amended. These guidelines are in compliance with the Novo Mercado Regulations, pursuant to article 22, item V.</p> <p>The article 22 of the Company’s Bylaws also establishes the following attributions of the Audit Committee:</p> <p><i>“(…) (b) Evaluate the quarterly information, interim statements and financial statements; (c) Monitor the activities of the Internal Audit and the Internal Controls area of the Company; (d) Evaluate and monitor the Company’s risk exposure; (…) (f) Have the means to receive and handle information on breaches of the law and standards applicable to the Company, as well as internal regulations and codes, including the provision of specific procedures for protecting the confidentiality of the person reporting such information and the information itself.”.</i></p> <p>According to item 5.5 of the Internal Regulation of Advisory Committees to the Board of Directors, approved at the Meeting of the Board of Directors held on May 3, 2021 and available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company's Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>), the Committees should have autonomy to act and their own budget approved by the Board of Directors, intended to cover expenses with its operation and the engagement of consultants, whenever the opinion of an external specialist is necessary.</p>
4.2 Fiscal council	4.2.1 The fiscal council should have a dedicated charter describing its structure, operation, work program, its roles and responsibilities, without creating obstacles to the individual performance of its members.	Yes	[Nothing to add]
	4.2.2 The minutes of the meetings of the fiscal council should comply with the same rules of disclosure of minutes applicable to the board of directors.	Yes	[Nothing to add]
4.3 Independent audit	4.3.1 The company should establish a policy for procurement of extra-audit services from its independent auditors, approved by the board of directors that prevents hiring of extra-audit services that could compromise the independence of the auditors. The company should not hire as independent auditor any party that has provided internal audit services to the company in the previous three years.	Yes	[Nothing to add]
	4.3.2 The independent audit team should report to the board of directors, through the audit committee, if applicable. The audit committee should monitor the effectiveness of the independent auditors’ work, as well as their independence. It should also evaluate and discuss the independent auditors’ annual work plan and submit it to review by the board of directors.	Yes	[Nothing to add]

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4.4 Internal audit	4.4.1 The company should have an internal audit department tied directly to the board of directors.	Yes	<p>The Internal Audit area has an administrative report to the CEO and a functional report to the Audit, Risk and Compliance Committee, which in turn is an advisory body to the Board of Directors.</p> <p>According to item 3.1.4 of the Internal Regulation of the Advisory Committees to the Board of Directors, approved at a meeting of the Board of Directors held on May 3, 2021, the Audit, Risk and Compliance Committee must oversee the implementation of the annual plans and monitor the work of the Internal Audit area, as well as checking the effectiveness and sufficiency of its structure. Item 3.1.15 of the same regulation establishes that the Audit, Risk and Compliance Committee must act as a reporting body for the Internal Audit area.</p>
	4.4.2 In the event such activity is outsourced, the internal audit services should not be performed by the same company that audits the financial statements. The company should not hire as internal auditor anyone that has provided independent auditing services to the company in the previous three years.	Not applicable	[Nothing to add]
4.5 Risk management, internal controls, and integrity/compliance	4.5.1 The company should adopt a risk management policy, approved by the board of directors, that includes definition of the risks from which it seeks protection, instruments used for such purpose, organizational structure for risk management, assessment of the suitability of the operating structure and internal controls in verifying the effectiveness thereof, as well definition of guidelines for establishment of the acceptable limits for exposure of the company to such risks.	Yes	<p>The Company has a Risk Management and Internal Control Policy that was approved at the meeting of the Board of Directors held on March 22, 2018 and is available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company's Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>).</p> <p>For the recommendations included in item 4.5.1 of the Governance Report regarding the risk management policy, see items 5.1, 5.2 and 5.3 of the Company's 2022 Reference Form (Version 2, filed with CVM on July 12, 2022).</p>
	4.5.2 The board of directors is responsible for ensuring that the executive board has mechanisms and internal controls to acknowledge, assess and control the risks, in order to keep them at levels compatible with the established limits, including an integrity/compliance program that seeks compliance with laws, regulations, internal and external standards.	Yes	<p>The Board of Directors assigned to the Audit, Risk and Compliance Committee the function of complementing and monitoring the compliance with the Risk Management and Internal Control Policy.</p> <p>Additionally, the integrity/compliance program is the responsibility of the Compliance area, which has administrative reporting to the CEO and functional reporting to the Audit, Risk and Compliance Committee, which in turn is an advisory body to the Board of Directors.</p> <p>The matters discussed by the Audit, Risk and Compliance Committee are presented to the Board of Directors at its next meeting.</p>
	4.5.3 The executive board should assess, at least once per year, the effectiveness of the risk management policies and systems, as well as of the integrity/compliance program, and report such assessment to the board of directors.	Yes	<p>According to item 3.2.8 of the Internal Regulation of the Executive Board, approved at the Meeting of the Board of Directors held on October 24, 2018 and available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company's Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>), the Executive Board should annually assess and implement the risk management and internal control systems and policies, as well as the Company's integrity/compliance program and, whenever necessary, propose to the Board of Directors any revisions of such policy.</p> <p>Periodically, the main actions of the Integrity Program and Internal Controls and Risk Program are presented to the Audit, Risk and Compliance Committee, in addition to the annual work plans approved by the Committee. The discussions of the Committee are reported to the Board of Directors at its next meeting.</p>

## Report on the Brazilian Corporate Governance Code – Publicly Held Companies of Localiza Rent a Car S.A. (“Company”)

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Principle	Recommended Practice	Was it adopted?	Explanation
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5. Ethics and Conflict of Interest			
5.1 Code of conduct and reporting channel	5.1.1 The company should have a conduct committee, with independence and autonomy and tied directly to the board of directors, in charge of implementing, disseminating, training, revision, and updating of the conduct of conduct and reporting channel, as well as conducting investigations and proposing corrective measures related to breaches of the code of conduct.	Partially	<p>The Company has a Conduct Committee reporting to the CEO, and functional reporting to the Audit, Risks and Compliance Committee, to whom it should report periodically the work performed.</p> <p>The Committee should be composed of the following members: Compliance Officer, Chief Legal Officer, Internal Audit Manager, External Member (appointed by the CEO), People Executive Officer and Operations Officer. The Committee may also, eventually, have representatives from the Company's business areas, with the possibility of calling guest members for addressing specific matters.</p> <p>The competences, operating scope and responsibilities of this Committee are defined in the Internal Regulation of the Company's Conduct Committee, approved at the Meeting of the Board of Directors held on February 12, 2020 and available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company's Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>).</p> <p>Situations in disagreement with the conducts set forth in the Code of Conduct and investigations of reporting received in the reporting channel will be reported to the Audit, Risk and Compliance Committee. The Committee will be responsible for submitting to the Board of Directors information on the measures taken and progresses of the specific cases.</p>
	5.1.2 The code of conduct, prepared by the executive board with the conduct committee's support and approved by the board of directors, should: (i) discipline the company's internal and external relationships, expressing the expected commitment of the company, its directors, officers, shareholders, collaborators, suppliers and stakeholders to adopting suitable standards of conduct; (ii) manage conflicts of interest and provide for abstention of any member of the board of directors, audit committee and/or conduct committee, if applicable, that, as the case may be, is conflicted; (iii) clearly define the scope and range of the actions that seek to ascertain the occurrence of events understood as having been carried out with use of privileged information (e.g.: use of privileged information for business purposes of to obtain advantages in trading of securities); (iv) establish that the ethical principles should underlie any negotiation of agreements, contracts, proposals for amendment of the bylaws, as well as the policies that guide the company as a whole, and establish a maximum value of third party goods and services that the company's management and collaborators can accept free of cost or in a privileged manner.	Yes	[Nothing to add]

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Principle	Recommended Practice	Was it adopted?	Explanation
	5.1.3 The reporting channel should be independent, autonomous and impartial, operating under guidelines defined by the executive board and approved by the board of directors. It should be operated independently and impartially and should ensure the anonymity of its users, as well as timely promote the necessary investigations and measures. This service can be outsourced to a third party with known ability.	Yes	<p>The Company has a reporting channel operated by an external specialized company, which, therefore, is independent, autonomous and impartial. Its purpose is to receive anonymous or (voluntarily) identified reports of unethical and/or illegal situations that may occur in all of the Group’s companies.</p> <p>The reporting channel may be used by all the Localiza team and by other stakeholders to which the Company is related, such as suppliers, customers and investors, and allows the reporting party to monitor the progress of its reporting.</p> <p>In order to promote and encourage the use of the reporting channel, the Company has a Whistleblower Non-Retaliation Policy, approved by the Board of Directors on September 04, 2020 and available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.cvm.gov.br">www.cvm.gov.br</a>) and the Company's Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>), which prohibits retaliation of any kind against a reporting party in good faith or against employees acting as witnesses in internal investigation procedures, establishing punitive measures against the persons responsible for such act.</p> <p>The reporting channel is available 24 hours a day, 365 days a year, and it may be accessed through telephone numbers with 24h electronic services (voicemail), website and email.</p> <p>The Localiza Compliance area is responsible for managing the report channel and investigating the complaints received</p> <p>For further details on the reporting channel see item 5.4 (b) of the Company’s 2022 Reference Form (Version 2, filed with CVM on July 12, 2022).</p>
5.2 Conflict of interests	5.2.1 The company’s corporate governance rules should ensure separation and clear definition of the duties, roles, and responsibilities related to the mandate of all governance agents. The decision-making limits for each instance should also be established, with the purpose of minimizing possible conflicts of interest.	Yes	The separation and definition of the duties, roles and responsibilities associated with the terms of office of all governance agents is performed by establishing clear competences and limits in the Company's corporate documents, namely the bylaws, internal regulations and/or policies.
	5.2.2 The company’s corporate governance rules should be made public and determine that the person that is not independent in relation to the matter under discussion or deliberation in the company’s management or supervisory bodies should state, in a timely manner, its conflict of interest or private interest. If such person fails to do so, the rules should provide that another person state the existence of conflict, if it has knowledge thereof, and that immediately upon verification of the conflict of interest in relation to a specific matter, the person involved should withdraw, including physically, from any discussions and resolutions. The rules should provide that this temporary withdrawal must be recorded in the relevant minutes.	Yes	<p>The Company has a section in its Code of Conduct and in all internal regulations exclusively addressing conflicts of interest, which are public, pursuant to CVM regulations.</p> <p>Any conflicts of interest not provided in the Code of Conduct are reported to the Compliance area, which is responsible for ensuring compliance with the Company’s ethical premises and values and for their continuous dissemination, enforcing their strict compliance.</p> <p>Additionally, the Company has also a reporting channel operated by an external specialized company aiming at receiving anonymous or (voluntarily) identified reports of unethical and/or illegal situations occurred in all of the Group’s companies.</p>

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Principle	Recommended Practice	Was it adopted?	Explanation
	5.2.3 The company should have mechanisms for management of conflicts of interest in matters submitted to approval of the shareholders’ meeting, to receive and process allegations of conflict of interest, and to invalidate votes cast in conflict, even if subsequently to the relevant meeting.	Yes	<p>The treatment of conflicts of interests in voting submitted to meeting is contained in article 42 of the Company’s Bylaws, approved at the Extraordinary General Meeting held on April 26, 2022 and available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company’s Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>), being the subject highlighted during the General Meetings by the Chairman of the Meeting.</p> <p>The vote from a shareholder presenting any interest conflicting with the Company’s is prohibited, and such condition should be reported to the Chairman of the Meeting at the moment of voting. The Company should provide, in the Management proposal regarding General Meeting, the mechanisms and means for addressing allegations of conflicts of interest, preceding or following the meeting, in accordance with the terms of its Bylaws.</p> <p>In addition, pursuant to Article 36 of the aforementioned Bylaws, the Company, its shareholders, officers and permanent and alternate members of the Fiscal Council, if any, are obliged to resolve, through arbitration, any dispute or controversy that may arise between them, especially resulting from the provisions in Law No. 6385/76, Law No. 6404/76, the Company’s Bylaws, rules issued by the National Monetary Council, the Central Bank of Brazil and the Brazilian Securities and Exchange Commission, as well as in other rules applicable to the operation of the capital market in general, in addition to those included in the Novo Mercado Regulations, B3 Regulations and the Novo Mercado Participation Agreement.</p>
5.3 Related-party transactions	5.3.1 The bylaws should define which related-party transactions should be approved by the board of directors, with the exclusion of any members with potentially conflicting interests.	Yes	[Nothing to add]
	5.3.2 The board of directors should approve and implement a related-party transactions policy that includes, among other rules: (i) provision that prior to approval of specific transactions or guidelines for procurement of transactions, the board of directors should request to the executive board market alternatives to the relevant transaction with related parties, adjusted pursuant to the risk factors involved; (ii) provision that there shall be no forms of compensation to advisors, consultants or intermediaries that give rise to conflicts of interest with the company, management, the shareholders or any class of shareholders; (iii) provision that loans in favor of the controlling shareholder or members of management shall be prohibited; (iv) the forms of transactions with related parties that should be supported by independent appraisal reports, prepared without participation of any of the parties involved in the relevant transaction, whether banks, attorneys, specialized consulting companies, among others, based on realistic assumptions and information endorsed by third parties; (v) provision that corporate reorganization involving related parties should ensure equal treatment of all shareholders.	Yes	<p>On October 24, 2018 the Company’s Board of Directors approved the Related-Party Transactions Policy, prepared according to Law No. 6404/76, the good corporate governance practices of the Novo Mercado, B3, as well as the general rules issued by CVM regarding the matter which is available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company’s Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>). This policy aims at establishing the procedures to be observed by the Company and its subsidiaries in Related-Party Transactions and in situations of potential Conflict of Interest, and aims at assuring the Company’s interests, according to the best Corporate Governance practices.</p> <p>Once such policy is submitted to the Company’s Officers, they will sign a Term of Adhesion, stating they are aware of the Policy’s terms and conditions.</p> <p>The Audit, Risk and Compliance Committee is responsible for assessing and monitoring the adoption of the related-party transactions policy in transactions conducted by the Company, and it should report the results of its analysis to the Board of Directors.</p>

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Principle	Recommended Practice	Was it adopted?	Explanation
5.4 Securities trading policy	5.4.1 The company should adopt, upon resolution of the board of directors, a securities trading policy that, without prejudice to compliance with rules to be established by CVM regulation, establishes controls that enable monitoring of negotiations performed, as well as verification and punishment of the persons responsible in the event of breach of the policy.	Yes	<p>According to Localiza’s Securities Trading Policy, approved at the Meeting of the Board of Directors held on July 27, 2022 and available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company's Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>), the Investor Relations Officer is responsible for managing and inspecting the application of Localiza’s Securities Trading Policy.</p> <p>According to item 2.4.6 of such Policy, aiming at investigating any use of Insider Information in trading of Company shares, the Investor Relations department should; monitor the transactions and atypical volumes in each trading session where shares are traded, monitor transactions of shares of statutory officers and members of the Board of Directors, occurred during the prohibition periods; and report such occurrences to the Investor Relations Officer so that he is aware and may take the necessary measures, as the case may be.</p>
5.5 Policy on contributions and donations	5.5.1 In an effort to ensure greater transparency regarding use of company funds, a policy on its voluntary contributions should be prepared, including those related to political activities, to be approved by the board of directors and implemented by the executive board, containing clear and objective principles and rules.	Yes	<p>The Policy on Sponsorship and Donations was approved at the meeting of the Board of Directors held on May 03, 2021 and is available on the websites of the Brazilian Securities and Exchange Commission (<a href="http://www.gov.br/cvm">www.gov.br/cvm</a>) and the Company's Investor Relations (<a href="http://www.localiza.com/ri">www.localiza.com/ri</a>).</p> <p>Pursuant to such Policy, donations or contributions to political parties, candidates to public offices or political campaigns are not allowed.</p>
	5.5.2 The policy should provide that the board of directors is the corporate body responsible for approving all disbursements related to political activities.	Yes	[Nothing to add]
	5.5.3 The policy on voluntary contributions of state-owned enterprises, or of companies that have relevant and reiterated business relationships with the State, should prohibit contributions or donations to political parties or persons related thereto, even if they are permitted by law.	Not applicable	[Nothing to add]

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