



<b>Competition Policy</b>		Rev.0
Prepared on: 09/04/2020	Duration: 3 years	
Prepared by: Compliance Officer	Approved by: Board of Directors	

**..... PURPOSE**

This Competition Policy (“Policy”) aims to establish guidelines for the compliance of Localiza Rent A Car S.A., its subsidiaries, and controlled companies (“Localiza”) with the Competition Law (Law 12,529/2011), seeking to prevent the adoption of Anticompetitive Conduct.

**..... TARGET AUDIENCE AND SCOPE**

This Policy applies to Localiza’s Managers and Employees, regardless of their hierarchical position, as well as to all our Franchisees. It also serves as guidance, whenever possible, to our Partners and Suppliers, both in Brazil and abroad.

**..... GENERAL GUIDELINES**

Localiza is committed to Free Competition and the best competitive practices; therefore, conduct that violates the Competition Law, especially those involving improper contact with competitors, will not be tolerated.

Contacts by any means of communication with competitors who are also Suppliers, Partners, or clients of Localiza must be limited to the exact extent necessary to enable a legitimate business relationship, such as supply contracts and purchase and sale agreements. Contacts that discuss competitive variables or address commercial issues of competing business lines are not permitted.

When communicating with competitors, whether verbally or in writing, including emails or messaging apps, avoid using ambiguous expressions that could be interpreted as evidence of unlawful practices, such as anticompetitive information exchange, price fixing, or market or customer division.

**..... PROHIBITED CONDUCTS**

The most common Anticompetitive Conducts – prohibited by Localiza – include cartels and the exchange of sensitive information among competitors, tie-in sales, and fixing of resale prices.

Managers, Employees, and Franchisees are prohibited from discussing, under any pretext, negotiating, or in any way colluding with competitors on agreements (explicit or implicit) regarding competitive variables (prices, adjustments, and discounts, territorial division, customer and service division, participation in tenders, refusal to negotiate/contract with customers and suppliers).

Practices involving the exchange of competitively sensitive information among competitors are also prohibited, except in the context of legitimate negotiations of acquisition, merger, joint venture, or other contracts, where specific governance for the exchange of information must be in place. Even if they do not involve an explicit agreement to set commercial terms, the mere exchange of competitively sensitive information can lead to reduced incentives for rivalry and facilitate coordination among competitors.

In general, competitively sensitive information is considered to be specific, confidential, contemporary, and involving competitively relevant variables. The following are examples of information that Localiza cannot receive, pass on, or exchange with competitors:

- prices and discounts;
- commercial strategies (whether current or future);





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- capacity level and expansion plans;
- marketing strategy;
- volume of sales;
- revenues and costs;
- clients;
- employee salaries;
- suppliers and contractual terms;
- non-public information about R&D; and
- competitive strategy.

Localiza prohibits and considers illegal conduct carried out unilaterally by a company holding a Dominant Position in the market or abusing its economic power, leading to a substantial restriction of competition. Therefore, Localiza must exercise caution in formulating commercial practices in markets where it holds a Dominant Position, in order to avoid questions regarding their competition compliance. Examples of unilateral conduct that may raise concerns include tie-in sales and the fixing of resale prices. It is worth noting that suggesting prices to Franchisees, without bonuses or sanctions tied to compliance with the suggestion, is allowed.

#### ..... TRADE ASSOCIATIONS

Localiza recognizes the importance of trade associations in defending the legitimate interests of the industry. However, by facilitating encounters, associations can serve as a forum for unlawful discussions among competitors. Therefore, participation requires caution to avoid illegitimate discussions among competitors or self-regulation and standardization rules that may result in limited competition.

The following topics are usually allowed within trade associations:

- common environmental concerns
- tax issues
- laws that impact the industry as a whole
- economic trends in the industry (without specific company data)
- public policies associated with the industry
- technical standards
- labor issues.

Prior to meetings between members of the trade association, an agenda containing all topics to be discussed must be sent to the participants. Following the meeting, minutes and attendance lists must be prepared and circulated for approval by the participants.

During the meeting, do not allow topics that go beyond the agenda, especially if these topics involve commercially or competitively sensitive issues. Do not participate in meetings without first ensuring that the subject to be discussed is lawful, and immediately leave the meeting if competitively sensitive topics start to be discussed (insist on recording your departure and disagreement).

Do not share commercially sensitive or strategic information among current or potential competitors. Only share information with the association after ensuring that it follows proper information gathering procedures.





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If there is collection, analysis, or disclosure of industry data, certain precautions must be taken, such as adopting collection mechanisms that ensure the confidentiality of data regarding competitors, collecting outdated or disaggregated information, and disclosing information not restricted to participating companies.

If self-regulation or standardization rules are developed, ensure that the rule is justified by the improvement of product and/or service quality, without implying artificial favoritism of certain competitors over others.

**..... SUPPLIER RELATIONSHIP**

When dealing with suppliers, caution must be taken to avoid closing input markets to competitors. Furthermore, agreements with competitors for joint purchasing should be avoided, and only implemented after being examined by the Legal Department.

The execution of exclusive supply contracts or with a most-favored nation (MFN) clause is permitted for Localiza when (i) there is a business justification that goes beyond the exclusion of competitors (e.g., ensuring the development of a better and specific product) and (ii) there are alternative suppliers available in the market.

**..... COMMUNICATION PLAN AND TRAINING**

Localiza will maintain a periodic training and communication plan for the target audience aimed at disseminating, raising awareness of, and reinforcing the importance of compliance with the rules of this Policy and the Competition Law.

All leaders must reinforce the importance of complying with this Policy to their subordinates.

**..... CLARIFICATIONS OF QUERIES**

Any situations, exceptions, and/or clarifications regarding the application of this Policy can be addressed to the Legal Department or the Compliance and Ethics Department through [conformidadeetica@localiza.com](mailto:conformidadeetica@localiza.com).

**..... REPORTING CHANNEL**

The Reporting Channel is the tool provided by Localiza for receiving reports of non-compliance with the Code of Conduct, internal policies, and procedures of the Company, or current legislation.

Localiza will not allow retaliation of any kind against a good-faith whistleblower or against anyone who provides information, documents, or cooperates in the investigation of a report.

No one should refrain from reporting illegal acts or actions of any Employee that may harm the integrity and reputation of Localiza.

For additional information on how the Reporting Channel operates, please refer to the Procedure for Whistleblower Reporting and Non-Retaliation.

**..... RESPONSABILITIES FOR IMPLEMENTATION**

**Board of Directors of Localiza:** responsible for approving this Policy and supervising its implementation.





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**Audit, Risk Management, and Compliance Committee:** responsible for supervising, maintaining, and approving the annual plan of the Compliance and Ethics Program.

**Compliance and Ethics Department:** executing and reporting the main points and any violations of this Policy to the Management.

**Compliance Officer and Legal Department:** clarifying queries about this Policy and Competition Laws.

**Managers and Employees:** must comply with all provisions herein and ensure that all Franchisees observe its contents in the execution of contracts with Localiza.

**Franchisees:** must comply with all provisions herein.

Compliance is mandatory for all Managers and Employees.

..... **DURATION**

This Policy will come into force on the date of its approval by the Board of Directors and shall remain valid for three years or until otherwise resolved.

..... **REFERENCES**

- a) Code of Conduct
- b) Procedure for Whistleblower Reporting and Non-Retaliation





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..... **APPENDIX 1**

**Definitions and Concepts**

**Abuse of Dominant Position:** It occurs when the economic agent that holds a Dominant Position abuses their market power to create competitive distortions in their favor, such as substantial limitations on competitors’ access to distribution channels, raw materials, or essential inputs, establishing artificial barriers to entry for competitors, among others.

**Managers:** Members of the Board of Directors, Fiscal Council, Advisory Committees and Executive Board.

**Employees:** Employees and interns, whether in Brazil or abroad.

**Anticompetitive Conduct:** Any practice adopted by an economic agent that may harm Free Competition, even if there is no intention to do so. This conduct is considered unlawful when its adoption may result in limiting, distorting, or in any way harming free competition, arbitrarily increasing the profits of the economic agent, dominating a relevant market for goods or services, or exercising market power abusively.

**Suppliers:** Any individual or legal entity that provides materials or services to Localiza, as well as contracted companies whose employees provide services at Localiza facilities.

**Franchisees:** A legal entity that has entered into and operates a Localiza franchise agreement.

**Free competition:** The principle of free competition is based on the assumption that competition should prevail and cannot be restricted by market agents. In a competitive market, companies need to constantly seek ways to achieve efficiency gains and tend to offer prices at the lowest possible levels while providing quality products and services, which benefits consumers. Free competition ensures low prices for consumers and encourages creativity and innovation within companies.

**Partners:** Individuals or legal entities with whom Localiza maintains a relationship formalized through agreements, partnerships, cooperation agreements, or similar instruments, who are neither Suppliers nor Franchisees.

**Dominant Position:** Dominant position can be presumed if the company: (i) is capable of unilaterally or coordinately altering market conditions; or (ii) controls 20% or more of the relevant market.

