

HERTZ GLOBAL HOLDINGS INC  
Form DEF 14A  
August 24, 2015

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  x  
Filed by a Party other than the Registrant  o  
Check the appropriate box:  
 o Preliminary Proxy Statement  
 o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**  
 x Definitive Proxy Statement  
 o Definitive Additional Materials  
 o Soliciting Material Pursuant to §240.14a-12

**HERTZ GLOBAL HOLDINGS, INC.**  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):  
 x No fee required.  
 o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
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- (1) Amount Previously Paid:

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(2)

(3) Filing Party:

(4) Date Filed:

**Notice of  
Annual Meeting  
of Stockholders  
and Proxy  
Statement  
October 15, 2015**

Hertz Global Holdings, Inc.  
999 Vanderbilt Beach Road  
Naples, FL 34108

August 24, 2015

Dear Stockholder:

You are cordially invited to attend our annual meeting of stockholders to be held at 10:00 a.m. (local time) on October 15, 2015, at the Hyatt Regency Coconut Point Resort and Spa, 5001 Coconut Road, Bonita Springs, Florida, 34134.

We will be using the “Notice and Access” method of providing proxy materials to you via the Internet at [www.proxyvote.com](http://www.proxyvote.com), instead of by mail. On or about September 1, 2015, we will mail to our stockholders a Notice of Internet Availability of Proxy Materials (the “Notice”) containing instructions on how to access our proxy statement and annual report to stockholders for 2014 and how to vote. The Notice also contains instructions on how to receive a paper copy of your proxy materials.

Your vote is important. Please vote as promptly as possible. Whether you plan to attend the annual meeting or not, you may vote by following the instructions set forth in the Notice, this proxy statement or as set forth in the proxy card. If you attend the annual meeting, you may vote in person.

Registration and seating will begin at 9:30 a.m. (local time). In order to be admitted to the annual meeting, a stockholder must present proof of stock ownership as of the close of business on the record date, August 24, 2015, which can be the Notice, a proxy card or a brokerage statement reflecting stock ownership as of August 24, 2015. Stockholders will be asked to sign an admittance card and must also present a form of photo identification such as a driver’s license. Cameras and recording devices will not be permitted at the annual meeting.

Sincerely,

/s/ Linda Fayne Levinson  
Linda Fayne Levinson  
Independent Non-Executive Chair



**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
OF HERTZ GLOBAL HOLDINGS, INC.**

**Time and Date:** 10:00 a.m. (local time), October 15, 2015.

**Place:** Hyatt Regency Coconut Point Resort and Spa, 5001 Coconut Road, Bonita Springs, Florida, 34134.

- Proposals:**
1. Election of the five nominees identified in the accompanying proxy statement to serve as directors until the next annual meeting of stockholders;
  2. Approval, by a non binding advisory vote, of the named executive officers' compensation;
  3. Re-approval of the material terms of the performance objectives under the Company's 2008 Omnibus Plan;
  4. Ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the year 2015;
  5. To consider a shareholder proposal on a policy regarding accelerated vesting of equity awards of senior executives upon a change in control, if presented at the meeting; and
  6. Transaction of any other business that may properly be brought before the annual meeting.

*The Board of Directors of the Company recommends a vote **FOR** each of Proposals 1-4 and recommends a vote **AGAINST** Proposal 5.*

**Who Can Vote:** Only holders of record of the Company's common shares at the close of business on August 24, 2015 will be entitled to vote at the meeting. You may vote with respect to the matters described in the proxy statement by following the instructions set forth in the Notice of Internet Availability of Proxy Materials (the "Notice").

**Date of Mailing:** This proxy statement and accompanying materials were filed with the Securities and Exchange Commission on August 24, 2015, and we expect to first send the Notice to stockholders on or about September 1, 2015.

/s/ Thomas J. Sabatino, Jr.  
Thomas J. Sabatino, Jr.  
*Senior Executive Vice President, Chief Administrative Officer  
and General Counsel*

Naples, Florida  
August 24, 2015



Table of Contents

<b><u>Section/Proposal</u></b>	<b><u>Page</u></b>
<u>Proxy Procedures and Information about the Annual Meeting</u>	
<u>Important Information about Annual Meeting and Proxy Procedures</u>	1
<u>Corporate Governance</u>	
<u>Corporate Governance and General Information Concerning the Board and Its Committees</u>	4
<u>Director Compensation</u>	
<u>Director Compensation</u>	10
<u>2014 Non-Employee Director Compensation Table</u>	11
<u>Election of Directors</u>	
<u>Proposal 1: Election of Directors</u>	12
<u>Continuing Directors</u>	17
<u>Compensation Discussion and Analysis</u>	
<u>Executive Summary</u>	21
<u>Compensation Discussion and Analysis</u>	24
<u>Compensation Committee Report</u>	43
<u>Summary Compensation Table and Executive Compensation</u>	
<u>2014 Summary Compensation Table</u>	44
<u>Annual Meeting Proposals:</u>	
<u>Proposal 2: Approval, By a Non-Binding Advisory Vote, of the Named Executive Officers' Compensation</u>	70
<u>Proposal 3: Re-Approval of the Material Terms of the Performance Objectives Under the Company's 2008 Omnibus Plan</u>	71
<u>Proposal 4: Ratification of the Selection of PricewaterhouseCoopers LLP as the Company's Independent Registered Public Accounting Firm for the Year 2015</u>	78
<u>Auditor Information</u>	
<u>Independent Registered Public Accounting Firm Fees</u>	79
<u>Audit Committee Report</u>	80
<u>Shareholder Proposal</u>	
<u>Proposal 5: Shareholder Proposal on a Policy Regarding Accelerated Vesting of Equity Awards of Senior Executives upon a Change in Control</u>	81
<u>Other Matters</u>	
<u>Security Ownership of Certain Beneficial Owners, Directors and Officers</u>	84
<u>Compensation Committee Interlocks and Insider Participation</u>	86
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	86
<u>Certain Relationships and Related Party Transactions</u>	86
<u>Other Business</u>	89





## PROXY PROCEDURES AND INFORMATION ABOUT THE ANNUAL MEETING

### **IMPORTANT INFORMATION ABOUT ANNUAL MEETING AND PROXY PROCEDURES**

The Board of Directors of Hertz Global Holdings, Inc. is soliciting proxies to be used at the annual meeting of stockholders to be held on October 15, 2015, beginning at 10:00 a.m. (local time) at the Hyatt Regency Coconut Point Resort and Spa, 5001 Coconut Road, Bonita Springs, Florida, 34134. This proxy statement and accompanying materials were filed with the Securities and Exchange Commission (the "SEC") on August 24, 2015, and we expect to first send the Notice of Internet Availability of Proxy Materials (the "Notice") to stockholders on or about September 1, 2015.

*Unless the context otherwise requires, in this proxy statement (i) the "Company" means Hertz Global Holdings, Inc., (ii) "Hertz" means The Hertz Corporation, our primary operating company and a direct wholly-owned subsidiary of Hertz Investors, Inc., which is wholly owned by the Company, (iii) "we," "us" and "our" mean the Company and its consolidated subsidiaries, (iv) "our Board" or "the Board" means the Board of Directors of the Company and (v) "our common stock" means the common stock of the Company.*

### **Purpose of the Annual Meeting**

At the annual meeting, stockholders will act upon the matters set forth in the Notice, including:

1. Election of the five nominees identified in this proxy statement to serve as directors until the next annual meeting of stockholders;
2. Approval, by a non-binding advisory vote, of the named executive officers' compensation;
3. Re-approval of the material terms of the performance objectives under the Company's 2008 Omnibus Plan;
4. Ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the year 2015;
5. To consider a shareholder proposal on a policy regarding accelerated vesting of equity awards of senior executives upon a change in control, if presented at the meeting; and
6. Transaction of any other business that may properly be brought before the annual meeting.

The Company's senior management will also present information about the Company's performance during 2014 and will answer questions from stockholders.

### **Stockholders Entitled to Vote at the Annual Meeting**

Our Board has established the record date for the annual meeting as August 24, 2015. Only holders of record of the Company's common stock at the close of business on the record date are entitled to receive the Notice and vote at the annual meeting. On August 24, 2015, the Company had approximately 456,486,882 shares of common stock outstanding.

### **Voting Procedures**

If you are a stockholder of record, you may vote as set forth in the Notice, or as follows:

- **Voting by Internet:** Follow the instructions on *www.proxyvote.com*.
- **Voting by Telephone:** Call 1-800-690-6903 and follow the instructions provided by the recorded message.
- **Voting by Mail:** Complete, sign and date the proxy card included in the printed proxy materials.
- **Voting in Person:** See the procedures for voting in person below.

## PROXY PROCEDURES AND INFORMATION ABOUT THE ANNUAL MEETING

### Procedures for Attending and Voting at the Annual Meeting

For those stockholders who wish to attend the annual meeting, you will need the following:

- admission ticket in your proxy materials;
- photo identification; and
- proof of stock ownership

Please note that no cameras or recording devices are allowed at the annual meeting. Seating for the annual meeting starts at 9:30 a.m. (local time) and the annual meeting will start at 10:00 a.m. (local time).

### Voting Options; Quorum

The Board recommends a vote “for” proposals 1-4 below and “against” proposal 5. Below is a summary of the vote required for adoption of each proposal and the respective effect of abstentions and broker non-votes. For more detailed information, see each respective proposal.

<b>Proposal</b>	<b>Vote Required for Adoption</b>	<b>Effect of Abstentions</b>	<b>Effect of Broker Non-Votes</b>
Election of directors	Majority of shares cast	No effect	No effect
Advisory vote on executive compensation	Majority of shares present	Vote “against”	No effect
Re-approval of the 2008 Omnibus Plan	Majority of shares present	Vote “against”	No effect
Ratification of PricewaterhouseCoopers LLP	Majority of shares present	Vote “against”	No effect
Shareholder proposal	Majority of shares present	Vote “against”	No effect

The presence, in person or by proxy, of the holders of a majority of the shares entitled to vote at the annual meeting constitutes a quorum. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a nominee, such as a broker holding shares in “street name” for a beneficial owner, does not vote on a proposal because that nominee does not have discretionary voting power with respect to a proposal and has not received instructions from the beneficial owner.

If you are a holder of shares held in street name, and you would like to instruct your broker how to vote your shares, you should follow the directions provided by your broker. Under New York Stock Exchange (“NYSE”) rules, your broker is permitted to vote on proposal 4 even if it does not receive instructions from you. However, under NYSE rules, your broker does not have discretion to vote on any other proposal if it does not receive instructions from you.

Each share of common stock is entitled to one vote and stockholders do not have the right to cumulate their votes for the election of directors. Unless a stockholder gives instructions to the contrary, proxies will be voted in accordance with the Board’s recommendations.

#### **Notice of Internet Availability of Proxy Materials**

We are permitted to furnish proxy materials, including this proxy statement and our annual report to stockholders for 2014, to our stockholders by providing access to such documents on the Internet at [www.proxyvote.com](http://www.proxyvote.com) instead of mailing printed copies. Our stockholders will not receive printed copies of the proxy materials unless they are requested. Instead, the Notice will instruct you as to how you may access and review all of the proxy materials on the Internet. It will also instruct you as to how you may submit your proxy on the Internet. If you would like to receive a paper or e-mail copy of our proxy materials, you

## PROXY PROCEDURES AND INFORMATION ABOUT THE ANNUAL MEETING

should follow the instructions for requesting such materials in the Notice. If you receive more than one Notice, it generally means that some of your shares are registered differently or are in more than one account. Please provide voting instructions for each Notice you receive.

### **Revocation of Proxies**

Even if you voted by telephone or on the Internet, or if you requested paper proxy materials and signed the proxy card, you may revoke your proxy before it is voted at the annual meeting by delivering a signed revocation letter to Thomas J. Sabatino, Jr., Senior Executive Vice President, Chief Administrative Officer and General Counsel. You may also revoke your proxy by submitting a new proxy, dated later than your first proxy, or by a later-dated vote by telephone or on the Internet. If you are attending in person and have previously mailed your proxy card, you may revoke your proxy and vote in person at the annual meeting. Your attendance at the annual meeting will not by itself revoke your proxy. If you are a holder of shares held in street name by your broker and you have previously directed your broker to vote your shares, you should instruct your broker to change or revoke your vote if you wish to do so. If you are a holder of shares held in street name by your broker and wish to cast your vote in person at the annual meeting, you should obtain a proxy to vote your shares from your broker.

### **Solicitation of Proxies**

Proxies may be solicited on behalf of our Board by mail or telephone, on the Internet or in person, and Hertz will pay the solicitation costs on behalf of the Company. The Notice will be supplied to brokers, dealers, banks and voting trustees, or their nominees, for the purpose of soliciting proxies from beneficial owners, and Hertz will reimburse those record holders for their reasonable expenses on behalf of the Company. Broadridge has been retained by Hertz to facilitate the distribution of proxy materials at a customary fee plus distribution costs and other costs and expenses.

### **Additional Information**

The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 ("2014 Annual Report") is filed with the SEC and may also be obtained via a link posted on the "Investor Relations" portion of our website, [www.hertz.com](http://www.hertz.com). Copies of the 2014 Annual Report, or any exhibits thereto, will be sent within a reasonable time without charge upon written request to Hertz Global Holdings, Inc., 999 Vanderbilt Beach Road, Naples, Florida, 34108. Attention: Corporate Secretary.



## CORPORATE GOVERNANCE

### **CORPORATE GOVERNANCE AND GENERAL INFORMATION CONCERNING THE BOARD AND ITS COMMITTEES**

#### **Corporate Governance**

Our business is managed under the direction of our Board. Our Board is committed to good corporate governance and promoting the long-term interests of our stockholders by adopting structures, policies and practices which we believe promote responsible oversight of management.

#### **Board Independence**

Our Board has determined that Ms. Fayne Levinson, Everson, Kelly-Ennis and Messrs. Berquist, Durham, Intrieri, Keizer, Koehler, Merksamer and Ninivaggi are “independent” as defined in the federal securities laws and applicable NYSE rules for service on our Board. The standards for determining director independence are specified in Annex A to our Corporate Governance Guidelines.

In recommending to the Board that each of the independent directors be classified as independent, the Nominating and Governance Committee also considered whether there were any facts or circumstances that might impair the independence of each of those directors. In particular, the Nominating and Governance Committee considered that the Company in the ordinary course of business provides products and services to and purchases products and services from companies at which some of our directors serve. In each case: (i) the relevant products and services were provided on terms and conditions determined on an arm’s-length basis and consistent with those provided by or to similarly situated customers and suppliers; (ii) the relevant director did not initiate or negotiate the relevant transaction, each of which was in the ordinary course of business of both companies; and (iii) the aggregate amounts of such purchases and sales were less than 2% of the consolidated gross revenues of each of the Company and the other company in each of the years 2014, 2013 and 2012.

#### **Board Meetings and Annual Meeting Attendance**

Our Board held 14 meetings in 2014. Each of our directors attended 75% or more of the total number of meetings of our Board held during the period in which he or she was a director and the number of meetings held by all Board committees on which he or she served. We do not have a policy with regard to directors’ attendance at our annual



meeting. All of our directors standing for re-election attended the 2014 annual meeting.

### **Board Committees**

Our Board has four standing committees—the Audit Committee, the Compensation Committee, the Nominating and Governance Committee and the Financing Committee. The Executive and Finance Committee was dissolved in connection with the Company’s entry into the Nomination and Standstill Agreement on September 15, 2014 described under “Certain Relationships and Related Party Transactions—Agreements with Carl C. Icahn.” The Board established the Financing Committee on October 16, 2014. The Executive and Finance Committee was responsible for several of the functions now carried out by the Financing Committee.

*4Hertz Global Holdings, Inc. 2015 Proxy Statement*

## CORPORATE GOVERNANCE

Each committee has a written charter and each charter is available without charge on the “Investor Relations—Committee Charters” portion of our website, [www.hertz.com](http://www.hertz.com). Each member of the Audit Committee, Compensation Committee, Nominating and Governance Committee and Financing Committee meets the independence and eligibility standards necessary for service on such committee pursuant to relevant securities laws, NYSE rules, our Corporate Governance Guidelines and the respective charter of each committee. Our Board has designated Messrs. Berquist, Durham, Intrieri and Koehler as “audit committee financial experts”.

**Membership, Meetings and Roles and Responsibilities of the Board Committees***Audit Committee*

<b>Members</b>	<b>Roles and Responsibilities of the Audit Committee</b>
Berquist (Chair) Durham	<ul style="list-style-type: none"> <li>• Oversees our accounting, financial and external reporting policies and practices as well as the integrity of our financial statements.</li> </ul>
Intrieri Kelly-Ennis Koehler	<ul style="list-style-type: none"> <li>• Monitors the independence, qualifications and performance of our independent registered public accounting firm.</li> <li>• Oversees the performance of our internal audit function, the management information system and operational policies and practices that affect our internal controls.</li> <li>• Monitors our compliance with legal and regulatory requirements.</li> </ul>
<b>Number of 2014 Meetings</b>	<ul style="list-style-type: none"> <li>• Reviews our guidelines and policies and the commitment of internal audit resources, in each case as they relate to risk management and the preparation of our Audit Committee’s report included in our proxy statements.</li> </ul>
11	

*Compensation Committee*

<b>Members</b>	<b>Roles and Responsibilities of the Compensation Committee</b>
Fayne Levinson (Chair) Durham	<ul style="list-style-type: none"> <li>• Oversees our compensation and benefit policies generally.</li> <li>• Evaluates the performance of our CEO as related to all elements of compensation, as well as the performance of our senior executives.</li> </ul>
Everson Ninivaggi	<ul style="list-style-type: none"> <li>• Approves and recommends to our Board all compensation plans for our senior executives.</li> <li>• Approves the short-term compensation and grants to our senior executives under our incentive plans (both subject, in the case of our CEO, if so directed by the Board, to the final approval of a majority of independent directors of our Board).</li> <li>• Prepares reports on executive compensation required for inclusion in our proxy statements.</li> </ul>
<b>Number of 2014 Meetings</b>	<ul style="list-style-type: none"> <li>• Reviews our management succession plan.</li> <li>•</li> </ul>



## CORPORATE GOVERNANCE

### *Nominating and Governance Committee*

<b>Members</b>	<b>Roles and Responsibilities of the Nominating and Governance Committee</b>
Koehler (Chair) Everson	<ul style="list-style-type: none"> <li>• Assists our Board in determining the skills, qualities and eligibility of individuals recommended for membership on our Board.</li> </ul>
Fayne Levinson Kelly-Ennis Merksamer	<ul style="list-style-type: none"> <li>• Reviews the composition of our Board and its committees to determine whether it may be appropriate to add or remove individuals.</li> <li>• Reviews and evaluates directors for re-nomination and re-appointment to committees.</li> <li>• Reviews and assesses the adequacy of our Corporate Governance Guidelines, Standards of Business Conduct and Directors' Code of Conduct.</li> </ul>
<b>Number of 2014 Meetings</b>	<ul style="list-style-type: none"> <li>• Reviews and recommends to the Board the form and amount of compensation paid to directors.</li> </ul>
4	

### *Financing Committee*

<b>Members</b>	<b>Roles and Responsibilities of the Financing Committee</b>
Durham (Chair) Berquist Intrieri Merksamer	<ul style="list-style-type: none"> <li>• Reviews and makes recommendations to the Board (or if approval authority is delegated, approves) the Company's and its subsidiaries capital markets and financing plans and the material terms and conditions of our debt and equity financings.</li> </ul>
<b>Number of 2014 Meetings</b>	Reviews the Company's dividend policy and make recommendations to the Board regarding the amount and frequency of dividends.
3	

## **Risk Oversight**

### *Risk Oversight—Our Board and Committees*

Our Board oversees an enterprise-wide approach to risk management. This approach is designed to improve our long-term performance and enhance stockholder value. A fundamental part of risk management is understanding the risks we face. Also important is management's role in addressing those risks and understanding what level of risk is appropriate for us. Our Board's involvement in setting our business strategy is a key part of its assessment of management's risk threshold and also helps determine an appropriate level of risk for us. The Board participates in an annual enterprise risk management assessment, which is led by the Company's Internal Audit Department. The Board

assesses enterprise risk management with the input of the report of the Compensation Committee and advisors and members of management.

Various committees of the Board also have responsibility for risk management. The Audit Committee focuses on financial risk, including internal controls, and annually receives a risk assessment and risk management report from the Company's Internal Audit Department. The Audit Committee also annually reviews with management our guidelines and policies and the commitment of internal audit resources as they relate to risk management. As described below, the Compensation Committee strives to create compensation incentives that encourage a level of risk-taking behavior consistent with the Company's business strategy.

*Risk Considerations in our Compensation Program*

In 2014, our Compensation Committee conducted its annual review of the risk profile of the Company's compensation policies and practices. In connection with this review, the Compensation Committee engaged its independent consultant at the time, Semler Brossy Consulting Group, LLC ("Semler Brossy"), to assist it in analyzing the

## CORPORATE GOVERNANCE

Company's compensation policies and practices and associated compensation risks. Semler Brossy, with the assistance of management, prepared a risk profile assessment of the Company's executive compensation policies and practices for executive officers. After its review of these assessments, the Compensation Committee presented the results to the Board in connection with the Board's annual enterprise risk assessment. In addition, the Company's management reviewed its compensation plans and practices in 2014 for all employees and presented the findings to the Compensation Committee. Based in part on such reports, the Compensation Committee determined that, for all employees, the Company's enterprise-wide compensation policies and practices, in conjunction with the Company's existing processes and controls, do not incentivize employees to take unnecessary risks, or pose a material risk to the Company, particularly in light of the following factors:

- our use of different types of compensation programs, such as equity- and cash-based plans, that provide a balance of long- and short-term incentives;
- our clawback policies, which allow us in certain circumstances in the event of a financial restatement, to seek the recovery of annual incentive awards, long-term incentive awards, equity-based awards and other performance-based compensation awarded to many of our employees, including all of our senior executives;
- our use of a variety of financial and strategic performance objectives to help ensure that the Company's overall business strategy is properly promoted;
- our structuring of our compensation programs to include features such as caps on payments, exclusion of certain extraordinary items and institutional approval of amounts paid; and
- our Company's various policies and procedures and Internal Audit Department, all of which provide checks and balances that help us monitor risk and identify when an individual is taking excessive or inappropriate risks.

### **Stockholder Communications with the Board**

Stockholders and other interested parties who wish to contact our directors may send written correspondence to: Hertz Global Holdings, Inc., 999 Vanderbilt Beach Road, Naples, Florida 34108 Attention: Corporate Secretary.

Communications addressed to directors that discuss business or other matters relevant to the activities of our Board will be preliminarily reviewed by the office of the Corporate Secretary and then distributed either in summary form or by delivering a copy of the communication to the director, or group of directors, to whom they are addressed. With respect to other correspondence received by the Company that is addressed to one or more directors, the Board has requested that the following items not be distributed to directors, because they generally fall into the purview of management, rather than the Board: junk mail and mass mailings, product and services complaints, product and services inquiries, résumés and other forms of job inquiries, solicitations for charitable donations, surveys, business solicitations and advertisements.

## **Director Nominations**

The Nominating and Governance Committee will consider director nominations made by stockholders. To nominate a person to serve on the Board, a stockholder should write to: Hertz Global Holdings, Inc., 999 Vanderbilt Beach Road, Naples, Florida 34108, Attention: Corporate Secretary. Director nominations must be delivered to the Corporate Secretary in accordance with the Company's By-laws. This generally means the nomination must be delivered not fewer than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. The nomination must contain any applicable information set forth in the Company's By-laws. The Nominating and Governance Committee will consider and evaluate persons nominated by stockholders in the same manner as it considers and evaluates other potential directors. The Nominating and Governance Committee also takes into consideration any written arrangements for director nominations the Company is a party to, including the Nomination and Standstill

*Hertz Global Holdings, Inc. 2015 Proxy Statement 7*

## CORPORATE GOVERNANCE

Agreement we entered into with Carl C. Icahn, described under “Certain Relationships and Related Party Transactions—Agreements with Carl C. Icahn.”

### **Corporate Governance Guidelines**

The Board has adopted Corporate Governance Guidelines containing standards for the Nominating and Governance Committee to determine director qualifications. The Corporate Governance Guidelines provide that the Nominating and Governance Committee, in making recommendations about nominees to the Board, will:

- review candidates’ qualifications for membership on the Board based on the criteria approved by the Board and
- taking into account the enhanced independence, financial literacy and financial expertise standards that may be required under law or NYSE rules for committee membership purposes;
- in evaluating current directors for re-nomination to the Board, assess the performance and independence of such directors; and
- periodically review the composition of the Board in light of the current challenges and needs of the Board and the Company, and determine whether it may be appropriate to add or remove individuals after considering issues of judgment, diversity, age, skills, background, experience and independence.

The Corporate Governance Guidelines also contain policies regarding director independence, the mandatory retirement age of directors, simultaneous service on other boards and substantial changes relating to a director’s affiliation or position of principal employment. Among other things, the guidelines establish responsibilities for meeting preparation and participation, the evaluation of our financial performance and strategic planning. Copies of our Corporate Governance Guidelines, as well as our written Directors’ Code of Business Conduct and Ethics (the “Directors’ Code of Conduct”) applicable to our Board are available without charge on the “Investor Relations—Governance Documents” portion of our website, [www.hertz.com](http://www.hertz.com).

### **Director Election Standards**

The Company maintains a “majority” voting standard for uncontested elections. For a nominee to be elected to our Board, the nominee must receive more “for” than “against” votes. In accordance with our By-laws and Corporate Governance Guidelines, each director has submitted, or upon his or her nomination will submit, a contingent resignation to the Chair of the Nominating and Governance Committee. The resignation will become effective only if the director fails to receive a sufficient number of votes for re-election and the Board accepts the resignation. In the



event of a contested director election, a plurality standard will apply.

### **Our Board Leadership**

As indicated in our Corporate Governance Guidelines, the Board believes it is important to retain its flexibility to allocate the responsibilities of the offices of the Chairman and CEO in a manner that is in the best interests of our Company. The Board believes that the decision as to who should serve as Chairman and CEO, and whether the offices should be combined or separate, should be assessed periodically by the Board, and that the Board should not be constrained by a rigid policy mandating the structure of such positions. The Board currently believes that the most effective and efficient leadership structure for our Company is for Mr. Tague to serve as CEO while Ms. Fayne Levinson serves as our Independent Non-Executive Chair of the Board (“Independent Non-Executive Chair”).

The Board believes that the current leadership structure benefits the Company by delineating roles of management and oversight over management. Our CEO and his management team provide the overall strategy and day-to-day leadership for our Company and the Board, along with the Independent Non-Executive Chair, provides oversight and evaluates the performance of management. The Independent Non-Executive Chair, in consultation with the CEO, has responsibility for chairing and determining the length and frequency of Board meetings as well as setting the agenda for such meetings. The Independent Non-Executive Chair also sets the agenda for, and chairs, the Board’s regularly-scheduled executive sessions in which management (other than Mr. Tague) does

## CORPORATE GOVERNANCE

not participate. In addition to the regularly-scheduled executive sessions of the Board that are held once per fiscal quarter without the presence of management (other than Mr. Tague), our directors held six executive sessions in 2014 where only our independent directors attended. The Independent Non-Executive Chair or Independent Lead Director at the time presided to facilitate the discussion. In addition, the Independent Non-Executive Chair, as the current Chair of the Compensation Committee, also significantly assists in evaluating and in setting the compensation of our CEO by conferring with other independent members of the Board regarding our CEO's performance, providing perspective and facilitating our CEO's self-assessment.

### **Policy on Diversity**

The Corporate Governance Guidelines and the Nominating and Governance Committee charter specify that the Nominating and Governance Committee consider a number of factors, including diversity, when evaluating or conducting searches for directors. The Nominating and Governance Committee interprets diversity broadly to mean a variety of opinions, perspectives, personal and professional experiences and backgrounds, such as international and multicultural experience and understanding, as well as other differentiating characteristics, including race, ethnicity and gender.

### **Implementation and Assessment of Policies Regarding Director Attributes**

The Nominating and Governance Committee, when making recommendations to the Board regarding director nominations, assesses the overall performance of the Board, and when re-nominating incumbent Board members or nominating new Board members, evaluates the potential candidate's ability to make a positive contribution to the Board's overall function. The Nominating and Governance Committee considers the actual performance of incumbent Board members over the previous year, as well as whether the Board has an appropriately diverse membership to support our role as one of the world's leading car and equipment rental companies. The particular experience, qualifications, attributes and skills of the potential candidate are assessed by the Nominating and Governance Committee to determine whether the potential candidate possesses the professional and personal experiences and expertise necessary to enhance the Board's mission. After conducting the foregoing analysis the Nominating and Governance Committee makes recommendations to the Board regarding director nominees. In its annual assessment of director nominees, the Nominating and Governance Committee does not take a formulaic approach, but rather considers each prospective nominee's diversity in perspectives, personal and professional experiences and background and ability. In making director nominations, the Nominating and Governance Committee takes into account the overall diversity of the Board and evaluates the Board in light of, among other things, the attributes discussed in "—Policy on Diversity" mentioned above.



## DIRECTOR COMPENSATION

**Director Compensation**

The Board believes that a significant portion of non-employee director compensation should align director interests with the interests of Hertz Holdings' stockholders. As a result, Hertz Holdings' Board has approved the Hertz Global Holdings, Inc. Directors Compensation Policy (the "Director Compensation Policy"), pursuant to which our non-employee directors were entitled to the following compensation:

<b>Board/Committee</b>	<b>2014 Non-Employee Director Compensation</b>	
Board	•Annual Cash Retainer: \$85,000	•Restricted Stock Unit Grant: \$125,000
Audit	•Annual Chair Fee: \$35,000	•Annual Member Fee: \$17,500
Compensation	•Annual Chair Fee: \$30,000	•Annual Member Fee: \$15,000
Nominating and Governance	•Annual Chair Fee: \$25,000	•Annual Member Fee: \$12,500
Executive and Finance(1)	•Annual Chair Fee: \$17,500	•Annual Member Fee: \$17,500

The Executive and Finance Committee was dissolved in connection with Hertz Holdings' entry into the Nomination and Standstill Agreement on September 15,

(1) 2014. The Board established the Financing Committee on October 16, 2014. Directors are not compensated for serving as members of the Financing Committee.

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Under the Director Compensation Policy, the Lead Director is entitled to receive a \$100,000 annual cash retainer. However, our Board has determined that in light of Ms. Fayne Levinson's increased responsibilities as Independent Non-Executive Chair, she instead shall receive an annual fee of \$350,000, payable in the form of shares of common stock of Hertz Holdings, except that if Hertz Holdings is unable to issue registered shares under an effective Form S-8 at the time quarterly cash payments are to be made, any amount otherwise payable in shares is paid in cash for purposes of the relevant quarter. Hertz Holdings does not pay additional fees

to directors for attending Board or committee meetings.

- Cash fees for Board and committee service are payable quarterly in arrears. A director may elect, annually in advance, to receive shares of Hertz Holdings' common stock having the same fair market value in lieu of such cash fees. A director may elect to receive shares of phantom stock rather than receiving cash fees if the requirements for such deferral are satisfied under applicable tax law. Any director electing to receive phantom shares will receive actual shares of Hertz Holdings' common stock on the earlier of when the director no longer serves on our Board or

a change in control of Hertz Holdings. Any fee that a director elected to defer is credited to the director's stock account and is deemed to be invested in a number of phantom shares equal to the number of shares of common stock that would otherwise have been delivered.

The restricted stock units are granted to directors after Hertz Holdings' annual stockholder meeting and have an equivalent fair market value to such dollar amount on the date of grant.

- Provided the director is still serving on our Board, these restricted stock units vest on the business day immediately preceding Hertz Holdings' next annual meeting of stockholders.

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We also reimburse our directors for reasonable and necessary expenses they incur in performing their duties as directors, and our directors are entitled to free worldwide car rentals. Any non-employee director who serves for at least five years will, after retirement from such service as a director, be eligible for Hertz #1 Club Platinum Card status and free worldwide car rentals up to a maximum of 90 days each year for fifteen years after his or her retirement.



## DIRECTOR COMPENSATION

For services rendered during the year ended December 31, 2014, our non-employee directors received the following compensation:

**2014 Non-Employee Director Compensation Table**

Name	Fees Earned or Paid in Cash(1) (\$)	Stock Awards(2)(3) (\$)	All other compensation(4) (\$)	Total (\$)
Barry H. Beracha	110,417	125,004	—	235,421
Carl T. Berquist(5)	135,000	125,004	—	260,004
Michael J. Durham	115,000	125,004	—	240,004
Carolyn N. Everson(5)	103,125	125,004	—	228,129
Debra J. Kelly-Ennis(5)	97,500	125,004	—	222,504
Vincent J. Intrieri	17,118	—	—	17,118
Michael F. Koehler	115,000	125,004	—	240,004
Philippe P. Laffont(5)	85,417	125,004	—	210,421
Linda Fayne Levinson	195,699	125,004	—	320,703
Samuel Merksamer	16,283	—	—	16,283
Daniel A. Ninivaggi	16,700	—	—	16,700
George W. Tamke(6)	163,125	—	13,026	176,151
Henry C. Wolf	100,000	125,004	—	225,004

(1) All compensation is for services rendered as directors, including annual retainer fees and committee and chair fees as set forth above. For those directors who joined our Board or resigned from

our Board in 2014, the cash retainer fees were pro-rated for their service.

(2) The value disclosed is the aggregate grant date fair value of 4,351 restricted stock units granted to each director, except for Messrs. Intrieri, Merksamer and Ninivaggi, based on a grant date of May 14, 2014 and computed pursuant to FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in the Note on Stock-Based Compensation to the Notes to our consolidated financial statements included in the 2014 Annual Report. Due to his resignation from our Board in 2014, Mr. Tamke forfeited his grant of restricted stock

units made in 2014. The grants of restricted stock units to Messrs. Laffont, Beracha and Wolf vested upon their resignation.

In addition to the restricted stock units reported above in footnote 2, Messrs.

Berquist and Durham each own 23,350 options. As of December 31, 2014, Mr.

Berquist owned 54,696

(3) phantom shares, Ms.

Everson owned 6,033 phantom shares, Ms.

Kelly-Ennis owned 5,742 phantom shares, Mr.

Intrieri owned 789 phantom shares and Mr. Laffont owned 2,738 phantom shares.

(4) Perquisites and other personal benefits, or property, unless the aggregate amount of such

compensation  
is less than  
\$10,000.

Elected to  
receive fees  
that would  
otherwise be  
(5) payable in  
cash in the  
form of  
phantom  
shares.

Elected to  
receive fees  
that would  
otherwise be  
(6) payable in  
cash in the  
form of shares  
of common  
stock.

*Hertz Global Holdings, Inc. 2015 Proxy Statement* 11

## ELECTION OF DIRECTORS

### PROPOSAL 1: ELECTION OF DIRECTORS

#### Board Structure

The Company currently has ten directors divided into three classes: three in Class I, two in Class II and five in Class III. The terms of office of the five Class III directors expire at the 2015 annual meeting of stockholders. The directors whose terms will continue after the 2015 annual meeting and will expire at the 2016 annual meeting (Class I) and 2017 annual meeting (Class II) are listed after the Class III directors. Ms. Kelly-Ennis has decided not to stand for re-election after the end of her current term. Her experience in the automotive industry and managing international operations as well as her extensive board experience have been valuable to the Company. She is a talented business leader and board member and the Board truly wishes to thank her for her service.

#### Class III Election

The five nominees for election as Class III directors are listed below. If elected, the nominees for election as Class III directors will serve until the next annual meeting and until their successors are elected and qualify. If for any reason any nominee cannot or will not serve as a director, proxies may be voted for the election of a substitute nominee designated by our Board. The Class III Nominees are as follows:

**Carl T. Berquist** (Class III) Mr. Berquist has served as a director of the Company and Hertz since November 2006. Mr. Berquist is 64 years old.

**Business Experience** Mr. Berquist joined Marriott International, Inc. ("Marriott") in December 2002 as Executive Vice President, Financial Information and Enterprise Risk Management and served as Chief Accounting Officer of Marriott. In 2009, Mr. Berquist became Executive Vice President and Chief Financial Officer of Marriott. Prior to joining Marriott, Mr. Berquist was a partner at Arthur Andersen LLP. During his 28-year career with Arthur Andersen LLP, Mr. Berquist held numerous leadership positions, including managing partner of the worldwide real estate and hospitality practice. His last position was managing partner of the mid-Atlantic region which included five offices from Philadelphia, Pennsylvania to Richmond, Virginia.

**Directorships and Other Experience** Mr. Berquist is a member of the Board of Advisors of both the Business School and the School of Hospitality Management at Penn State University. He is also a member of the Board of Advisors of Eberle Communications, a private direct mail company.

***Financial  
Oversight and  
Risk Management  
Experience***

Mr. Berquist's years of leadership in management and operational positions as a chief financial officer, enterprise risk management executive and major audit company partner provides our Board with in-depth knowledge in financial, accounting and risk management issues.

***Travel Industry  
Knowledge***

Mr. Berquist's knowledge of the travel industry gained while at Marriott also makes him an important asset to the Board in recognizing hospitality and overseeing strategic trends.

***International  
Financial  
Expertise***

Mr. Berquist's experiences in managing the worldwide expansion of one of the most recognized hotel brands offers our Board specialized expertise in a variety of areas.

*12Hertz Global Holdings, Inc. 2015 Proxy Statement*

ELECTION OF DIRECTORS

**Henry R. Keizer** (Class III) Mr. Keizer is a nominee to serve as a director of the Company and Hertz. Mr. Keizer is 58 years old.

***Business Experience***

Mr. Keizer formerly served as Deputy Chairman and Chief Operating Officer of KPMG, the U.S.-based and largest individual member firm of KPMG International (“KPMGI”), a role from which he retired in December 2012. KPMGI is a professional services organization which provides audit, tax and advisory services in 152 countries. Prior to serving as Deputy Chairman and Chief Operating Officer of KPMG, Mr. Keizer held a number of key leadership positions throughout his 35 years at KPMGI, including Global Head of Audit, KPMGI from 2006 to 2010 and U.S. Vice Chairman of Audit, KPMG from 2005 to 2010.

***Directorships and Other Experience***

Mr. Keizer is also a director of MUFG Americas Holdings Corporation, a financial and bank holding company with assets of \$115 billion, of WABCO, a \$3 billion global innovator and manufacturer of technologies that improve the safety and efficiency of commercial vehicles, and of Park Indemnity Limited, a Bermuda captive insurer affiliated with KPMGI. He previously served as a director of Montpelier Re Holdings, Ltd., a global property and casualty reinsurance company until it merged with Endurance Specialty Holdings Ltd. in July 2015 and was a director on the Board of the American Institute of Certified Public Accountants.

***Executive Officer Experience***

Mr. Keizer has significant management, operating and leadership skills gained as Deputy Chairman and Chief Operating Officer of KPMG.

***Financial Reporting and General Industry Experience***

Mr. Keizer has extensive knowledge and understanding of financial accounting, reporting and auditing standards from his 35 years of experience and key leadership positions he held with KPMGI. Mr. Keizer also has over three decades of diverse industry perspective gained through advising clients engaged in manufacturing, banking, insurance, consumer products, retail, technology and energy, providing him with perspective on the issues facing major companies and the evolving business environment.

***Risk Management Expertise***

Mr. Keizer’s leadership experience at KPMG provides the Board with expertise in risk management and oversight over our domestic and international operations.

ELECTION OF DIRECTORS

**Michael F. Koehler**  
(Class III)

Mr. Koehler has served as a director of the Company and Hertz since March 2012. Mr. Koehler is 62 years old.

***Business Experience***

Mr. Koehler is Chief Executive Officer and a member of the Board of Directors of Teradata Corporation (“Teradata”), a publicly-traded provider of enterprise data warehousing and integrated marketing software, where he also serves on the Executive Committee. Prior to the separation of Teradata from NCR Corporation (“NCR”), Mr. Koehler served as Senior Vice President of the Teradata Division of NCR from 2003 to 2007. From September 2002 to March 2003, he was the Interim Leader of the Teradata Division. From 1999 to 2002, Mr. Koehler was Vice President, Global Field Operations of the Teradata Division and he held management positions of increasingly greater responsibility at NCR prior to that time.

***Directorships and Other Experience***

Mr. Koehler is a director at Teradata.

***Executive Officer Experience***

Mr. Koehler has significant management and leadership skills gained as Chief Executive Officer of Teradata, a global information technology provider.

***International Oversight Expertise***

Mr. Koehler’s role as Chief Executive Officer of a information technology provider with global operations provides the Board with critical experience regarding our domestic and international operations.

***Strategy and Technology Experience***

Mr. Koehler brings to our Board a deep knowledge of strategic operations and business development as well as valuable insights on how to incorporate technology into our ongoing operations.



ELECTION OF DIRECTORS

<p><b>Linda Fayne Levinson</b> (Class III)</p>	<p>Ms. Fayne Levinson has served as a director of the Company and Hertz since March 2012. Ms. Fayne Levinson is 73 years old. She has served as Lead Independent Director since August 14, 2014 and Independent Non-Executive Chair since September 7, 2014.</p>
<p><i>Business Experience</i></p>	<p>Ms. Fayne Levinson was a partner at GRP Partners, a venture capital investment fund investing in start-up and early-stage retail and electronic commerce companies, from 1997 to December 2004. Prior to that, she was a partner in Wings Partners, a private equity firm that took Northwest Airlines private, an executive at American Express running its leisure travel and tour business and a partner at McKinsey &amp; Co.</p>
<p><i>Directorships and Other Experience</i></p>	<p>Ms. Fayne Levinson is also a director of Jacobs Engineering Group Inc., Ingram Micro Inc., The Western Union Company and NCR, where she has served as a director since 1997 and Lead Independent Director from 2007 to 2013. Ms. Fayne Levinson was formerly a director at DemandTec, Inc. from 2005 to 2012 until IBM acquired that company. Ms. Levinson has extensive corporate governance and executive compensation experience having chaired multiple Compensation and Nominating and Governance Committees.</p>
<p><i>Risk Management and Oversight</i></p>	<p>Ms. Fayne Levinson has demonstrated her expertise in risk management and oversight as a director of several public companies, including her experience as Lead Independent Director of NCR.</p>
<p><i>Travel Industry Knowledge</i></p>	<p>Ms. Fayne Levinson's experience at Wings Partners and American Express provide her with extensive knowledge about the operating and financial issues that face the travel and transportation industry.</p>
<p><i>Leadership and Operating Experience</i></p>	<p>Ms. Fayne Levinson gained general management experience at American Express, strategic experience at McKinsey &amp; Co. and investment experience at GRP Partners and Wings Partners. In addition, the Board believes that Ms. Fayne Levinson's extensive management and leadership experience, her in-depth knowledge of corporate governance issues and her diversity of perspective provide us with valuable insight with regard to our global operations.</p>

## ELECTION OF DIRECTORS

**John P. Tague**  
(Class III) Mr. Tague has served as the Chief Executive Officer and director of the Company and Hertz since November 21, 2014. Mr. Tague is 53 years old. Mr. Tague's employment agreement provides that he will serve as a member of the Board.

**Business Experience** Mr. Tague has served as the President and Chief Executive Officer and a member of the Boards of Directors of Hertz Holdings and Hertz since November 2014. Mr. Tague previously spent eight years at United Airlines, Inc. and UAL Corporation, where he served in a number of leadership roles, including President and Chief Operating Officer. Mr. Tague joined United Airlines and UAL Corporation in 2003 as Executive Vice President of Customers. He served as President from 2009 until 2010; Executive Vice President and Chief Operating Officer from 2008 to 2009; Executive Vice President and Chief Revenue Officer from 2006 to 2008; and Executive Vice President of Marketing, Sales, and Revenue from 2004 to 2006. Just prior to joining Hertz, Mr. Tague served as Chairman and Chief Executive Officer of Cardinal Logistics Holdings. Cardinal Logistics Holdings was created by the merger between Cardinal Logistics Management, Inc. and Greatwide Logistics Services, LLC, where Mr. Tague had served as Chief Executive Officer since 2011.

**Directorships and Other Experience** Mr. Tague serves as a director of Choice Hotels International, Inc., one of the world's largest hotel franchisors, where he serves on the Compensation Committee. Mr. Tague previously served on the Board of Directors for Reddy Ice Inc., Pacer International, Inc., Orbitz, ATA and United Airlines.

**Extensive Knowledge of the Travel Industry** As the former President of United Airlines, Mr. Tague has specialized knowledge and experience in the travel industry.

**Leadership and Management Experience** Mr. Tague, through his experiences as our CEO and as a former lead executive of large companies, as well as through his other directorships, has demonstrated excellent leadership abilities, financial and operational expertise, commitment, good judgment and management skills.

**Executive Officer Experience** Mr. Tague's experience as a President of United Airlines, as well as our CEO, allows him to add strategic value to the Board.

**The Board recommends a vote FOR  
all of the Class III nominees**

CONTINUING DIRECTORS

**Continuing Directors**

**Carolyn N. Everson**  
(Class I) Ms. Everson has served as a director of the Company and Hertz since May 2013. Ms. Everson is 43 years old.

**Business Experience** Ms. Everson serves as Vice President of Global Marketing Solutions for Facebook, Inc. (“Facebook”), where she manages the global marketing solutions team focused on expanding advertising revenue and managing significant, strategic accounts. Before Facebook, Ms. Everson served as Corporate Vice President of Global Ad Sales and Strategy of Microsoft Corporation (“Microsoft”) from 2010 to 2011. Previous to Microsoft, Ms. Everson held various advertising management positions at MTV Networks Company (“MTV”) from 2004 to 2010, including serving as Executive Vice President and Chief Operating Officer of Ad Sales from 2008 to 2010. Prior to MTV, she served in roles of increasing responsibility with respect to business development and advertising at Primedia, Inc., Zagat Surveys LLC and Walt Disney Imagineering.

**Marketing and Strategy Experience** Ms. Everson provides the Board with extensive experience and understanding of marketing and innovation strategies in her roles at Microsoft and Facebook, which are key areas for our Company’s growth.

**Media and Technology Expertise** Ms. Everson brings her special expertise in media and technology developed from her roles at two of the world’s largest technology companies to support our continued efforts to develop and communicate our brand and product offerings.

**International Business and Leadership Experience** Ms. Everson’s experience in managing global advertising efforts for technology companies and her leadership experience provide our Board with specialized perspective and knowledge.

**Samuel Merksamer**  
(Class I) Mr. Merksamer has served as a director of the Company and Hertz since September 2014. Mr. Merksamer is 35 years old. Mr. Merksamer is a director designated by Carl C. Icahn pursuant to the Nominating and Standstill Agreement we entered into with Mr. Icahn described under “Certain Relationships and Related Party Transactions—Agreements with Carl C. Icahn.”

**Business Experience** Mr. Merksamer is a Managing Director of Icahn Capital LP, a subsidiary of Icahn Enterprises L.P. (a diversified holding company engaged in a variety of businesses, including investment, automotive, energy, gaming, railcar, food packaging, metals, real estate and home fashion), where he has been employed since May 2008. Mr. Merksamer is responsible for identifying, analyzing and monitoring investment opportunities and portfolio companies for Icahn Capital. From 2003 until 2008, Mr. Merksamer was an analyst at Airlie Opportunity Capital Management, a hedge fund management company, where he focused on high yield and distressed investments. Mr. Merksamer received an A.B. in Economics from Cornell University in 2002.

***Directorships  
and Other  
Experience***

Mr. Merksamer has been a director of: Cheniere Energy, Inc., a liquefied natural gas company, since August 2015; Transocean Partners LLC, a holding company with subsidiaries that own and operate ultra-deepwater drilling rigs, since November 2014; Hologic, Inc., a supplier of diagnostic, medical imaging and surgical products, since December 2013; Transocean Ltd., a provider of offshore contract drilling services for oil and gas wells, since May 2013; Navistar International Corporation, a truck and engine manufacturer, since December 2012; and Ferrous Resources Limited, an iron ore mining company with operations in Brazil, since November 2012. Mr. Merksamer was previously a director of: Talisman Energy Inc., an independent oil and gas exploration and production company, from December 2013 to May 2015; CVR Energy, Inc., a diversified holding company primarily engaged in the petroleum refining and nitrogen fertilizer manufacturing industries, from May 2012 to September 2014; CVR Refining, LP, an independent downstream energy limited partnership, from September 2012 to May 2014; Federal-Mogul Corporation, a supplier of automotive powertrain and safety components, from September 2010 to January 2014; American Railcar Industries, Inc., a railcar manufacturing company, from June 2011 to June 2013; Viskase Companies, Inc., a food packaging company, from January 2010 to April 2013; PSC Metals Inc., a metal recycling company, from March 2009 to October 2012; and Dynegy Inc., a company primarily engaged in the production and sale of electric energy, capacity and ancillary services, from March 2011 to September 2012. CVR Refining, CVR Energy, Federal-Mogul, American Railcar Industries, Viskase Companies and PSC Metals are each indirectly controlled by Carl C. Icahn. Mr. Icahn also has or previously had non-controlling interests in Hertz Holdings, Talisman, Transocean, Navistar, Ferrous Resources and Dynegy Inc. through the ownership of securities.

CONTINUING DIRECTORS

**Finance and Strategic Experience**

Mr. Merksamer provides our board with significant financial and strategic experience gained through his multiple directorships.

**Operating and Corporate Governance Experience**

Mr. Merksamer's service in other director roles provides our Board extensive operating and governance experience as well as providing perspectives on strategy and direction of our Company.

**Capital Markets Experience**

Mr. Merksamer's experience at the Icahn entities and as a former analyst provide our Board with important expertise in capital markets and finance matters.

**Daniel A. Ninivaggi (Class I)**

Mr. Ninivaggi has served as a director of the Company and Hertz since September 2014. Mr. Ninivaggi is 51 years old. Mr. Ninivaggi is a director designated by Carl C. Icahn pursuant to the Nominating and Standstill Agreement we entered into with Mr. Icahn described under "Certain Relationships and Related Party Transactions—Agreements with Carl C. Icahn."

**Business Experience**

Mr. Ninivaggi has served as a director of Federal-Mogul Holdings Corporation ("Federal-Mogul Holdings") and, prior to its holding company reorganization, Federal-Mogul Corporation since March 2010 and as Co-Chief Executive Officer of Federal-Mogul Holdings and Chief Executive Officer of Federal-Mogul Motorparts since February 2014. Mr. Ninivaggi has also served as Co-Chairman of Federal-Mogul Holdings since May 2015. Mr. Ninivaggi was President of Icahn Enterprises L.P., a diversified holding company engaged in a variety of businesses, including investment, automotive, energy, gaming, railcar, food packaging, metals, real estate and home fashion, from April 2010 to February 2014 and its Chief Executive Officer from August 2010 to February 2014. From January 2011 to May 2012, Mr. Ninivaggi served as the Interim President and Interim Chief Executive Officer of Tropicana Entertainment Inc., a company that is primarily engaged in the business of owning and operating casinos and resorts. From 2003 until July 2009, Mr. Ninivaggi served in a variety of executive positions at Lear Corporation, a global supplier of automotive seating and electrical power management systems and components, most recently as Executive Vice President and Chief Administrative Officer from 2006 to 2009. Lear Corporation filed for bankruptcy in July 2009 and emerged in November 2009. Mr. Ninivaggi served as Of Counsel to the law firm of Winston & Strawn LLP from July 2009 to March 2010.

**Directorships and Other Experience**

In addition to serving as a director of Federal-Mogul Holdings, Mr. Ninivaggi has been a director of: Icahn Enterprises, from March 2012 through May 2015; and Tropicana Entertainment Inc., since January 2011. Mr. Ninivaggi was previously a director of: CVR Refining, LP, an independent downstream energy limited partnership, from January 2013 to September 2014; American Railcar Industries, Inc., a railcar manufacturing company, from June 2013 to February 2014; CVR Energy, Inc., a diversified holding company primarily engaged in the petroleum refining and nitrogen fertilizer manufacturing industries, from May 2012 to February 2014; CVR Partners LP, a nitrogen fertilizer company, from May 2012 to February 2014; PSC Metals Inc., a metal recycling company, from April 2012 to February 2014; WestPoint Home LLC, a home textiles manufacturer, from February 2012 to February 2014; Viskase Companies, Inc., a food packaging company, from June 2011 to February 2014; XO Holdings, a competitive provider of telecom services, from August 2010

to February 2014; Motorola Mobility Holdings, Inc., a provider of mobile communication devices, video and data delivery solutions, from December 2010 to May 2012; and CIT Group, Inc., a bank holding company, from December 2009 to May 2011. Mr. Ninivaggi received a B.A. in History from Columbia University in 1986, a Masters of Business Administration from the University of Chicago in 1988 and a J.D. from Stanford Law School in 1991.

***Executive  
Officer and  
Leadership  
Experience***

Mr. Ninivaggi provides the Board with leadership skills, significant management, strategic and operational experience through his roles of Co-Chief Executive Officer and Co-Chairman of Federal Mogul Holdings and as a director and officer of multiple public and private companies.

***Strategic and  
Risk  
Management  
Knowledge***

Mr. Ninivaggi provides the Board significant experience in the evaluation of strategic opportunities and offers our Board perspectives on risk management with respect to our operations.

***Extensive  
Knowledge of  
the Company's  
Business and  
Industry***

Mr. Ninivaggi provides the Board with specialized expertise on matters related to the automotive industry through his role at Federal-Mogul Holdings, Lear Corporation and other directorships.

CONTINUING DIRECTORS

**Michael J.  
Durham**  
(Class II)

Mr. Durham has served as a director of the Company and Hertz since November 2006. Mr. Durham is 64 years old.

***Business  
Experience***

Mr. Durham served as Director, President and Chief Executive Officer of Sabre, Inc. (“Sabre”), then a NYSE-listed company providing information technology services to the travel industry, from October 1996, the date of Sabre’s initial public offering, to October 1999. From March 1995 to July 1996, when Sabre was a subsidiary of AMR Corporation, he served as Sabre’s President. Prior to joining Sabre, Mr. Durham spent 16 years with American Airlines, serving as the Senior Vice President and Treasurer of AMR Corporation and Senior Vice President of Finance and Chief Financial Officer of American Airlines from October 1989 until he assumed the position of President of Sabre in March 1995.

***Directorships and  
Other Experience***

Mr. Durham also serves as a member of the Boards of Directors of Travelport Worldwide Ltd. and Cambridge Capital Acquisition Corp. During the preceding five years, Mr. Durham has served on the Boards of Directors of Asbury Automotive Group, Inc., Acxiom Corporation, both publicly listed companies, and Travora Media and Culligan International, both privately held companies.

***Broad Industry  
Experience***

Mr. Durham has extensive business experience in the automotive, travel and transportation industries, which provides our Board with leadership skills and a breadth of knowledge about the challenges and issues facing companies such as ours.

***Public Company  
and Executive  
Officer  
Experience***

Mr. Durham’s tenure both as Chief Executive Officer and Chief Financial Officer of large, multinational public companies allows him to add strategic value and management experience to the Board.

***Corporate  
Governance and  
Financial  
Expertise***

Mr. Durham’s experience as a director, and frequently a member of the audit committee, on a number of different company boards also gives him a valuable perspective to share with the Company.

## CONTINUING DIRECTORS

**Vincent J. Intriери**  
(Class II)

Mr. Intriери has served as a director of the Company and Hertz since September 2014. Mr. Intriери is 58 years old. Mr. Intriери is a director designated by Carl C. Icahn pursuant to the Nominating and Standstill Agreement we entered into with Mr. Icahn described under “Certain Relationships and Related Party Transactions—Agreements with Carl C. Icahn.”

**Business Experience**

Mr. Intriери has been employed by Icahn related entities since October 1998 in various investment related capacities. Since January 2008, Mr. Intriери has served as Senior Managing Director of Icahn Capital LP, the entity through which Carl C. Icahn manages private investment funds. In addition, since November 2004, Mr. Intriери has been a Senior Managing Director of Icahn Onshore LP, the general partner of Icahn Partners LP, and Icahn Offshore LP, the general partner of Icahn Partners Master Fund LP, entities through which Mr. Icahn invests in securities.

**Directorships and Other Experience**

Mr. Intriери has been a director of: Transocean Ltd., a provider of offshore contract drilling services for oil and gas wells, since May 2014; Navistar International Corporation, a truck and engine manufacturer, since October 2012; and Chesapeake Energy Corporation, an oil and gas exploration and production company, since June 2012. Mr. Intriери was previously: a director of CVR Refining, LP, an independent downstream energy limited partnership, from September 2012 to September 2014; a director of Forest Laboratories, Inc., a supplier of pharmaceutical products, from June 2013 to June 2014; a director of CVR Energy, Inc., a diversified holding company primarily engaged in the petroleum refining and nitrogen fertilizer manufacturing industries, from May 2012 to May 2014; a director of Federal-Mogul Corporation, a supplier of automotive powertrain and safety components, from December 2007 to June 2013; a director of Icahn Enterprises L.P. (a diversified holding company engaged in a variety of businesses, including investment, automotive, energy, gaming, railcar, food packaging, metals, real estate and home fashion) from July 2006 to September 2012, and was Senior Vice President of Icahn Enterprises L.P. from October 2011 to September 2012; a director of Dynegy Inc., a company primarily engaged in the production and sale of electric energy, capacity and ancillary services, from March 2011 to September 2012; chairman of the board and a director of PSC Metals Inc., a metal recycling company, from December 2007 to April 2012; a director of Motorola Solutions, Inc., a provider of communication products and services, from January 2011 to March 2012; a director of XO Holdings, a competitive provider of telecom services, from February 2006 to August 2011; a director of National Energy Group, Inc., a company that was engaged in the business of managing the exploration, production and operations of natural gas and oil properties, from December 2006 to June 2011; a director of American Railcar Industries, Inc., a railcar manufacturing company, from August 2005 until March 2011, and was a Senior Vice President, the Treasurer and the Secretary of American Railcar Industries from March 2005 to December 2005; a director of WestPoint Home LLC, a home textiles manufacturer, from November 2005 to March 2011; chairman of the board and a director of Viskase Companies, Inc., a food packaging company, from April 2003 to March 2011; and a director of WCI Communities, Inc., a homebuilding company, from August 2008 to September 2009. CVR Refining, CVR Energy, Federal-Mogul, Icahn Enterprises, PSC Metals, XO Holdings, National Energy Group, American Railcar Industries, WestPoint Home and Viskase Companies each are or previously were indirectly controlled by Carl C. Icahn. Mr. Icahn also has or previously had a non-controlling interest in Hertz Holdings, Transocean, Forest Laboratories, Navistar, Chesapeake Energy, Dynegy, Motorola Solutions and WCI Communities. Mr. Intriери graduated in 1984, with Distinction, from The Pennsylvania State University (Erie Campus) with a B.S. in Accounting. Mr. Intriери was a certified public accountant.



***Accounting  
and Finance  
Experience***

Mr. Intrieri's significant financial and accounting experience through his directorships and employment with the Icahn entities makes him an important advisor to our Board.

***Corporate  
Governance  
Experience***

Mr. Intrieri's multiple directorships gives Mr. Intrieri a deep understanding of our Board responsibilities and provides our Board with strategic oversight capabilities.

***Strategic and  
Risk  
Management  
Knowledge***

Mr. Intrieri's experience at the Icahn Entities and his multiple directorships provide our Board important strategic experience and knowledge of appropriate risks to execute our business strategies.

*20Hertz Global Holdings, Inc. 2015 Proxy Statement*

## COMPENSATION DISCUSSION AND ANALYSIS: EXECUTIVE SUMMARY

### Compensation Discussion and Analysis

#### *Executive Summary*

Our Company's financial and operating performance during 2014 was very disappointing. With respect to all of the financial measures used to measure success under our Company's annual and long-term incentive plans, results were below target expectations and, in four out of five cases, below threshold. In addition, a review of our Company's accounting controls resulted in the conclusion that there were accounting misstatements, which required the restatement of financial results for 2011 through 2013 and delayed filing the financial statements for 2014. The Explanatory Note to the Company's 2014 Annual Report and Note 2, "Restatement" to the Notes to our consolidated financial statements under the caption Item 8, "Financial Statements and Supplementary Data" to the Company's 2014 Annual Report provide further details about these events. These events were reflected in Hertz Holdings' stock price, which declined 13% from January 1, 2014 to December 31, 2014.

These poor results had major consequences on our executive compensation program.

#### *Payments under the executive compensation program*

The three main elements of compensation we pay to our NEOs are salary, an annual cash bonus under Hertz Holdings' Senior Executive Bonus Plan and equity awards based on the performance of our Company.

**Salaries Remained the Same as in 2013 or Were Only Modestly Increased:** We either did not increase salaries (including the salaries for our former CEO, Mark Frissora and our current CFO, Thomas Kennedy (who was hired in December 2013), and our former Group President, Rent-A-Car Americas, Scott Sider), or provided modest, market-based increases (ranging from 2% to 3%) for our other NEOs.

**Annual Cash Bonus Earned Significantly Below Target:** Due to our operating and financial performance in 2014 being well below established targets, the annual cash bonuses were a very small percentage of target- the highest percentage was approximately 11% of target for the NEOs, with the exceptions (described below) of Messrs. Tague and MacDonald, who had contractually negotiated higher amounts, and our CFO, Mr. Kennedy whose higher bonus reflected his extraordinary efforts in reviewing and evaluating the financial statements and internal audit function of the Company.

#### **•Long-Term Incentives**

**•2014-2015 Corporate EBITDA Performance Stock Units ("PSUs") Were Not Earned:** Because our Corporate EBITDA (as defined in "Non-GAAP Measures" below) did not exceed the threshold performance level necessary to earn PSUs for 2014, our NEOs earned none of the PSUs based on Corporate EBITDA granted in 2014. While PSUs can potentially be earned based on 2014-2015 performance, it is also expected that 2014-2015 performance

will not result in any PSUs being earned.

**2014 Corporate EBITDA Margin PSUs Were Not Earned:** Because our 2014 Corporate EBITDA margin (as defined and calculated in “Non-GAAP Measures” below) was below the established Corporate EBITDA margin target, our NEOs earned none of the 2014 Corporate EBITDA margin PSUs.

*Hertz Global Holdings, Inc. 2015 Proxy Statement* 21

## COMPENSATION DISCUSSION AND ANALYSIS: EXECUTIVE SUMMARY

### **2012-2013 and 2013-2014 Corporate EBITDA PSUs Were Adjusted Downward Based on Restated**

**Financials.** As a result of our restated 2012 and 2013 financials, the Compensation Committee reduced the number of PSUs which were eligible to vest to correspond with actual Corporate EBITDA performance in 2012 and 2013. Restated 2012-2013 Corporate EBITDA performance reduced the number of PSUs earned from 98.4% to 82.8% of target and restated Corporate EBITDA performance for 2013 and 2013-2014 reduced the number of PSUs earned from 66.0% to 60.0% of target.

### ***Changes in Our Executive Team***

We made very extensive changes to our senior management team in 2014 and 2015, and we believe these changes have better positioned our Company for future success. Among our NEOs these changes involved the departure of our Chief Executive Officer, our Chief Executive Officer of Hertz Equipment Rental Corporation, our Group President, Rent-A-Car Americas, our Executive Vice President, General Counsel and Secretary, and our Executive Vice President Corporate Affairs and Communications. These changes occurred under circumstances that entitled the departing executives to benefits under their employment agreements or Hertz Holdings' Severance Plan for Senior Executives.

### ***Changes in the 2015 Compensation Program***

The Compensation Committee, in consultation with its new independent compensation consultant Frederic W. Cook & Co., Inc. ("Frederic Cook"), and with input from new management, engaged in a complete review of our Company's executive compensation program and overall compensation philosophy. Based on this review, the Compensation Committee has made and is continuing to make major changes to the overall structure of our 2015 compensation program and believes these changes will be beneficial to our continued efforts to recruit and retain the individuals who will drive the future of our Company.

#### **•Changes to our annual cash compensation program**

- Use of adjusted pre-tax income as the main performance modifier:** Instead of the three financial metrics (adjusted pre-tax income ("API"), return on total capital, and revenue) used in 2014 to measure corporate financial performance under Hertz Holdings' Senior Executive Bonus Plan, the 2015 plan will use just one metric-API. While the other metrics continue to be important, the Compensation Committee believes that API is the most important metric at this time and using one metric best focuses our NEOs on this critical component of financial success. Consistent with the emphasis on simplification and growing API, the Compensation Committee modified the component of the award based on business unit performance by removing multiple performance and operating

goals for business unit performance. Instead, API measured at the business unit level will be a portion of the award for certain business unit executives.

**Effective cap on overall payouts:** Instead of potential payouts that could equal 300% of target for specified levels of high performance under the 2014 plan and in certain circumstances be even higher, maximum payouts under Hertz Holdings' Senior Executive Bonus Plan have been generally reduced to 160% of target for participants.

*22 Hertz Global Holdings, Inc. 2015 Proxy Statement*

COMPENSATION DISCUSSION AND ANALYSIS: EXECUTIVE SUMMARY

•**Changes to our long-term incentive plan**

**Corporate EBITDA PSUs based on three-year rather than two-year performance period:** PSUs based on Corporate EBITDA will comprise 50% (instead of the previous 70%) of each NEO's long-term equity award. The Corporate EBITDA targets that have been established for 2015, 2016, and 2017 are significantly higher than 2014 Corporate EBITDA and increase each year. 1/3 of the PSUs will be earned each year, depending on whether that year's target is met and, if not met, no PSUs will be earned for that year. Earned PSUs will vest as a single tranche at the end of three years after the certification of results for the last performance period covered by the award.

**Elimination of Corporate EBITDA margin awards:** PSUs based on Corporate EBITDA margin, which were earned if Corporate EBITDA margin equaled 75% of the prior year's margin, have been eliminated.

**Use of stock options:** 50% of each NEO's long-term equity incentive award will consist of stock options, reflecting the Compensation Committee's view that shareholder interests are best advanced at this time with a stock incentive that only provides value when the price of Hertz Holdings' common stock increases.

**Focused CEO compensation arrangements:** Pursuant to Mr. Tague's employment agreement (as will be further described below), while the CEO's long-term incentives have also been awarded in the form of PSUs and stock options, (1) 50% of his options vest based on his meeting goals with respect to developing a business plan and assembling a management team, and (2) the remaining awards vest based on our Company achieving certain revenue efficiency measures for the 2015-2017 time period.

We believe our compensation decisions are consistent with our continuing commitment to best practices in corporate governance and executive compensation design, which can be summarized as follows:

**What We Do and What We Don't Do**

We pay for our Company's financial and operating performance

We evaluate risk in light of our compensation programs

We cap the amount of our annual cash bonuses at reasonable levels

We use double-trigger provisions for our change in control agreements

We use an independent compensation consultant

We have a robust stock ownership policy

We maintain clawback policies

We don't have a high percentage of fixed compensation

We don't exclusively grant time-vested awards

We don't allow our officers and directors to hedge or pledge our stock

We don't use the same performance metrics for short-term and long-term compensation

We don't use a peer group composed of companies significantly larger than ours

We don't re-price underwater options

We don't use short-term vesting for stock awards

We revised our change in control agreement to eliminate tax gross-ups for new hires

We don't provide for automatic salary increases

*Hertz Global Holdings, Inc. 2015 Proxy Statement* 23

## COMPENSATION DISCUSSION AND ANALYSIS

### Compensation Discussion and Analysis

#### Named Executive Officers

We refer to the following individuals as our “named executive officers” (or “NEOs”):

- John P. Tague, who became our Chief Executive Officer on November 21, 2014;
- Thomas C. Kennedy, our Chief Financial Officer and Senior Executive Vice President;
- Brian P. MacDonald, who became Chief Executive Officer of Hertz Equipment Rental Corporation (“HERC”) on June 2, 2014 and served in that role until his resignation on May 20, 2015, and served as our interim CEO from September 7, 2014 to November 20, 2014;
- Michel Taride, who is our Group President, Rent-A-Car International;
- Robert J. Stuart, who is our Executive Vice President, Sales and Marketing;
- Richard D. Broome, who served as our Executive Vice President, Corporate Affairs and Communications until his resignation on July 1, 2015;
- Mark P. Frissora, who served as our CEO until his resignation on September 7, 2014;
- Scott P. Sider, who served as Group President, Rent-A-Car Americas until his retirement on August 18, 2014; and
- J. Jeffrey Zimmerman, who served as Executive Vice President, General Counsel and Secretary until his resignation on December 1, 2014.

#### *Determining What We Pay - Compensation Philosophy and the Role of the Compensation Committee*

The Compensation Committee reviews and establishes the compensation program for our NEOs. Our Compensation Committee is committed to creating incentives for our NEOs that reward them for the performance of our Company. Our Compensation Committee’s philosophies include an emphasis on the following:

**Our compensation program’s structure should be aligned with the price and market performance of Hertz Holdings’ common stock:** Our Compensation Committee believes that creating goals which are more directly focused on the price and performance of Hertz Holdings’ common stock will further align the interests of Hertz Holdings’ stockholders and our NEOs.

**Our compensation design should be simple, transparent and clearly articulated to our participants and stockholders:** Our Compensation Committee is committed to simplifying our short-term cash compensation program and long-term equity compensation program to focus our NEOs’ attention on business goals and the price and performance of Hertz Holdings’ common stock.



**Our compensation program should provide short- and long-term components to drive performance over the long run:** Long-term results are important to Hertz Holdings' stockholders and our Compensation Committee believes that a compensation program that rewards results both annually and on a year-over-year basis provides the framework for superior long-term performance.

**Our compensation should be competitive and market-based to attract and retain our executive officers:** Our Compensation Committee believes our compensation program should provide a combination of incentives that will allow us to hire, retain and reward talented individuals at every position.

**Our compensation program should responsibly balance incentives with prudent risk management:** Our Compensation Committee believes that responsible use of different types of incentives will create and foster a culture of growth that is sustainable and appropriate for our Company.

*24Hertz Global Holdings, Inc. 2015 Proxy Statement*

## COMPENSATION DISCUSSION AND ANALYSIS

### *Determining What We Pay - Role of Compensation Consultants*

The Compensation Committee has the authority to retain outside advisors as it deems appropriate. From July 2008 to November 2014, the Compensation Committee engaged Semler Brossy Consulting Group LLC (“Semler Brossy”) as its compensation consultant to provide advice and information. In November 2014, the Compensation Committee, after review of the services provided by Semler Brossy and relevant independence considerations, transitioned from Semler Brossy and engaged Frederic Cook as its compensation consultant. Frederic Cook’s responsibilities include:

- reviewing and advising on total executive compensation, including salaries, short- and long-term incentive programs and relevant performance goals;
- advising on industry trends, important legislation and best practices in executive compensation;
- advising on how to best align pay with performance and with our business needs; and
- assisting the Compensation Committee with any other matters related to executive compensation arrangements, including senior executive employment agreements.

The Compensation Committee reviews our compensation programs in light of Frederic Cook’s recommendations and adjusts compensation as the Compensation Committee sees fit. However, the decisions made by the Compensation Committee are the responsibility of the Compensation Committee, and may reflect factors other than the recommendations and information provided by Frederic Cook. Frederic Cook does not perform any services for the Company other than its role as advisor to the Compensation Committee. Before engaging any compensation consultant, it is the Compensation Committee’s practice to determine the compensation consultant’s independence and whether any conflicts of interest would be raised by the engagement of the compensation consultant. The Compensation Committee believes that the work of the compensation consultants did not raise any conflicts of interest and the compensation consultants engaged by the Compensation Committee are independent.

### *Determining What We Pay - Role of the CEO*

In determining the appropriate levels of our compensation programs, our CEO traditionally provides his input to the Compensation Committee on topics that he believes are important. As part of this process, our CEO obtains data from and has discussions with our Chief Human Resources Officer or other appropriate executives. Our CEO’s reviews and observations regarding performance provide additional data for the Compensation Committee to consider regarding our overall compensation program. In addition, the Independent Non-Executive Chair, who is the Chair of the Compensation Committee, has an integral role in the determination of our CEO’s compensation through her

independent review and discussions with various parties. Because our Independent Non-Executive Chair is the Chair of the Compensation Committee, the Board believes that this provides the requisite focus on evaluating the CEO and setting his compensation relative to his performance. Although our Compensation Committee may give weight to our CEO's input, in all cases, the final determinations over compensation reside with the Compensation Committee or, if directed by the Board, in the case of our CEO, with the independent members of our Board.

*Hertz Global Holdings, Inc. 2015 Proxy Statement 25*

## COMPENSATION DISCUSSION AND ANALYSIS

*Determining What We Pay - Elements of our Compensation Programs*

<b>Element</b>	<b>Type</b>	<b>How and Why We Pay It</b>
Salary	Fixed Cash	<ul style="list-style-type: none"> <li>•Paid throughout the year to attract and retain senior executives</li> <li>•Sets the baseline for bonus and retirement programs</li> </ul>
Annual Cash Bonus(1)	Performance-Based Cash	<ul style="list-style-type: none"> <li>•Paid annually in cash to reward performance of the Company, business unit and individual</li> <li>•Aligns senior executives' interests with Hertz Holdings' stockholders' interests, reinforces key strategic initiatives and encourages superior individual performance</li> </ul>
Long-Term Equity	Long-Term Equity	<ul style="list-style-type: none"> <li>•Granted annually, with vesting occurring in subsequent years based on satisfying performance conditions</li> <li>•Aligns senior executives' interests with Hertz Holdings' stockholders' interests and drives key performance goals</li> </ul>
Retirement Benefits and Perquisites	Variable Other	<ul style="list-style-type: none"> <li>•Paid at retirement based on senior executives' salary, bonus and years of service to the Company</li> <li>•Limited perquisites for business purposes, including relocation expenses generally designed to attract and retain talent</li> </ul>

We also occasionally provide non-recurring cash bonuses to reflect superior individual performance, (1) new responsibilities or to compensate new hires for amounts forfeited from their previous employer.

*Determining What We Pay - Survey Group*

As part of determining our compensation programs, we compared the compensation for our NEOs to the compensation of comparable positions at a group of companies (the “Survey Group”). The Compensation Committee selected the Survey Group in late 2013 in consultation with Semler Brossy. Because the number of our direct industry competitors in the global market is limited, we did not limit the Survey Group to our direct competitors, but also included similarly-sized companies that are in the consumer discretionary (excluding media companies), consumer staples and industrials (excluding capital goods companies) sectors. These industries were selected because successful companies within these industries frequently bear substantial similarities to the Company’s business model, insofar as they (i) are asset-intensive, (ii) require frequent customer contact at multiple locations and (iii) involve the need to maintain favorable brand recognition. The companies in the Survey Group had annual revenues of approximately \$5 to \$22 billion, as compared to the Company’s 2014 revenue of \$11 billion. We included a relatively large number (49) of companies in the Survey Group, in part because we believe that doing so helps to reduce the influence of outliers. Of the 49 companies in the Survey Group, 37 were in the prior Survey Group.

*26Hertz Global Holdings, Inc. 2015 Proxy Statement*

COMPENSATION DISCUSSION AND ANALYSIS

The following are the companies that comprised our Survey Group in 2014:

Advance Auto Parts Inc.	General Mills, Inc.	R.R. Donnelley & Sons Co.
Avis Budget Group, Inc.	Hershey Co.	Ralph Lauren Corp.
Avon Products Inc.	Hormel Foods Corp.	Ross Stores Inc.
Big Lots, Inc.	J.C. Penney Company, Inc.	Ryder System, Inc.
BorgWarner Inc.	J. M. Smucker Co.	Southwest Airlines Co.
CarMax Inc.	Kellogg Co.	Starbucks Corp.
Carnival Corp.	Kelly Services, Inc.	Starwood Hotels & Resorts Worldwide, Inc.
Coach Inc.	Kohl's Corp.	SUPERVALU Inc.
Colgate-Palmolive Co.	L Brands, Inc.	TRW Automotive Holdings Corp.
ConAgra Foods, Inc.	Marriott International, Inc.	V. F. Corp.
CSX Corp.	Mattel, Inc.	Visteon Corp.
Darden Restaurants, Inc.	Newell Rubbermaid Inc.	Waste Management, Inc.
Dean Foods Co.	Nordstrom, Inc.	Whirlpool Corp.
Dr. Pepper Snapple Group Inc.	Norfolk Southern Corp.	Whole Foods Market, Inc.
Estee Lauder Companies Inc.	Office Depot, Inc.	YUM! Brands, Inc.
Federal-Mogul Corp.	Penske Automotive Group Inc.	
Gap Inc.	PVH Corp.	

When making compensation decisions for our senior executives, our management and our Compensation Committee considered the compensation levels of the Survey Group, as well as industry factors, general business developments, corporate, business unit and individual performance and our overall compensation philosophy. Our Compensation Committee does not apply Survey Group data in a formulaic manner to determine the compensation of our NEOs. Rather, the Survey Group data represented one of several factors that our Compensation Committee considered in a holistic assessment of compensation decisions. We typically review the salaries, annual bonus levels and long-term equity awards of our NEOs every 12 months, and we periodically (but not on a set schedule) review the other elements of their compensation.

***Determining What We Pay - Response to Advisory Vote on Executive Compensation***

In 2014, Hertz Holdings' advisory vote on executive compensation was approved by the following vote:

**For            Against    Abstain    Broker Non-Votes**

342,971,299 10,216,316 2,049,239 37,536,408

This represented a 96% level of approval. Although the effect of the advisory vote on executive compensation is non-binding, the Board and Compensation Committee considered the results of the 2014 vote and will continue to consider the results of future votes in determining the compensation of our NEOs and our compensation programs generally. Hertz Holdings values the opinions of its stockholders and is committed to considering their opinions in making compensation decisions.

*Hertz Global Holdings, Inc. 2015 Proxy Statement 27*

## COMPENSATION DISCUSSION AND ANALYSIS

*Annual Cash Compensation**Salary*

For the NEOs, the Compensation Committee determines salary and any increases after reviewing individual performance, conducting internal compensation comparisons and reviewing compensation in the Survey Group. We also take into account other factors such as an individual's prior experience, total mix of job responsibilities versus market comparables and internal equity. The Compensation Committee consults with our CEO (except as to his own compensation) regarding salary decisions for NEOs. We review salaries upon promotion or other changes in job responsibility.

As the result of our regular, cyclical review of salaries, the annual base salaries for our NEOs were established for 2014 as set forth below. The 2014 increases for NEOs who were employed throughout 2013 ranged from 0% to approximately 3%, and averaged approximately 1%.

<b>Name</b>	<b>2014 Salary (\$)</b>	<b>2013 Salary (\$)</b>	<b>What We Took Into Consideration in Setting 2014 Salaries</b>
Mr. Tague(1)	1,450,000	N/A	• Offering a competitive salary in connection with Mr. Tague's appointment as Chief Executive Officer of our Company in November 2014
Mr. Kennedy	660,000	660,000	• Offering a competitive salary in connection with Mr. Kennedy's appointment as Chief Financial Officer in December 2013
Mr. MacDonald(1)	1,100,000	N/A	• Offering a competitive salary in connection with Mr. MacDonald's appointment as Chief Executive Officer of HERC in June 2014(2)
Mr. Taride(3)	637,897	624,166	• The overall performance of our Rent-A-Car International business unit in 2013 • Mr. Taride's performance in managing our worldwide expansion of our new and existing brands
Mr. Stuart	505,000	495,000	• Mr. Stuart's performance in managing and expanding our marketing efforts for all of our brands • Mr. Stuart's role in preserving and expanding our relationships with key customers
Mr. Broome	394,500	383,000	• Mr. Broome's performance in managing our corporate communications strategies and stockholder outreach
Mr. Frissora	1,450,000	1,450,000	• Mr. Frissora's performance in managing our Company's operations in 2013
Mr. Sider	660,000	660,000	•



<p>Mr. Zimmerman</p>	<p>536,000</p>	<p>520,000</p>	<p>The overall performance and growth of our Rent-A-Car Americas business unit in 2013</p> <ul style="list-style-type: none"> <li>• Mr. Zimmerman’s leadership in expanding and managing our legal department in 2013</li> <li>• Mr. Zimmerman’s performance in handling special legal projects related to our Company and HERC</li> </ul>
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The base salaries actually paid to Messrs. Tague and MacDonald were

(1) pro-rated to their respective start dates of November 21, 2014 and June 21, 2014.

Mr. MacDonald served as Chief Executive Officer of HERC from June 2014 through May 2015.

(2)

For Mr. Taride, these amounts have been converted to U.S. dollars

(3) from pounds sterling at the 12-month average rate of 1.64739.

*28Hertz Global Holdings, Inc. 2015 Proxy Statement*

## COMPENSATION DISCUSSION AND ANALYSIS

### *Senior Executive Bonus Plan*

Our NEOs' compensation includes an annual cash bonus computed pursuant to the terms of the Executive Incentive Compensation Plan ("EICP"), which will be described in the next section. In order that bonus payments qualify as deductible under Section 162(m) of the Internal Revenue Code (the "Code"), the actual payments are made through the Hertz Global Holdings, Inc. Senior Executive Bonus Plan ("Senior Executive Bonus Plan"), which was approved by Hertz Holdings' stockholders at its 2010 annual meeting. Payments under the Senior Executive Bonus Plan are intended to qualify as performance-based compensation under Section 162(m) of the Code. Under the terms of the Senior Executive Bonus Plan, the maximum amount of a payment (1) to our CEO is limited to 1% of our EBITDA, as defined in "Non-GAAP Measures" below, for a performance period and (2) to our other participants is limited to 0.5% of our EBITDA for a performance period. If our EBITDA is greater than \$0, our NEOs will become eligible for an award under the EICP, the subplan under which our Compensation Committee exercises its discretion to reduce the size of the awards payable under the Senior Executive Bonus Plan. Although our Compensation Committee exercises discretion to reduce annual incentives under the Senior Executive Bonus Plan, it may not increase the payments.

As will be described below, different cash bonus arrangements applied to Messrs. Tague and MacDonald because they were hired in 2014 after the performance period was well under way. See "Cash Bonus for John P. Tague" and "Cash Payments to Brian P. MacDonald" for descriptions of their arrangements.

### *Annual Cash Incentive Program (EICP)*

#### *How We Determined the 2014 EICP Awards*

To determine the EICP awards, our Compensation Committee reviewed our performance against the established performance criteria, reviewed individual performance and approved the EICP award payments for the NEOs. To arrive at the annual award, the NEO's salary was multiplied by a specified target (the "Target Award"), which was further multiplied by modifiers noted in the table below:

Corporate Business Unit Individual