

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**HERTZ GLOBAL HOLDINGS, INC.
THE HERTZ CORPORATION**

(Exact name of registrant as specified in its charter)

DELAWARE

001-37665

61-1770902

DELAWARE

001-07541

13-1938568

(State or other jurisdiction of incorporation or organization)

(Commission File Number)

(I.R.S Employer Identification No.)

**8501 Williams Road
Estero, Florida 33928
(239) 301-7000**

**8501 Williams Road
Estero, Florida 33928
(239) 301-7000**

(Address, including Zip Code, and telephone number, including area code, of registrant's principal executive offices)

Not Applicable

Not Applicable

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Hertz Global Holdings, Inc. Yes No

The Hertz Corporation Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Hertz Global Holdings, Inc. Yes No

The Hertz Corporation Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Hertz Global Holdings, Inc. Large accelerated filer Accelerated filer Non-accelerated filer

(Do not check if a smaller reporting company)

Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has not elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

The Hertz Corporation Large accelerated filer Accelerated filer Non-accelerated filer

(Do not check if a smaller reporting company)

Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has not elected not to use the extended transition period for complying with any new or revised financial

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Hertz Global Holdings, Inc. Yes No

The Hertz Corporation Yes No

Indicate the number of shares outstanding as of the latest practicable date.

	Class	Shares Outstanding at July 30, 2018
Hertz Global Holdings, Inc.	Common Stock, par value \$0.01 per share	84,179,208
The Hertz Corporation	Common Stock, par value \$0.01 per share	100 (100% owned by Rental Car Intermediate Holdings, LLC)

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

TABLE OF CONTENTS

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
ITEM 1. Condensed Consolidated Financial Statements (Unaudited)	1
ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	48
ITEM 3. Quantitative and Qualitative Disclosures About Market Risk	73
ITEM 4. Controls and Procedures	73
<u>PART II. OTHER INFORMATION</u>	
ITEM 1. Legal Proceedings	75
ITEM 1A. Risk Factors	75
ITEM 2. Unregistered Sales of Securities and Use of Proceeds	75
ITEM 3. Defaults Upon Senior Securities	75
ITEM 4. Mine Safety Disclosures	75
ITEM 5. Other Information	75
ITEM 6. Exhibits	75
<u>SIGNATURE</u>	76
<u>EXHIBIT INDEX</u>	77

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

PART I—FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Index

	Page
Hertz Global Holdings, Inc. and Subsidiaries	
Condensed Consolidated Balance Sheets as of June 30, 2018 and December 31, 2017	2
Condensed Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2018 and 2017	3
Condensed Consolidated Statements of Comprehensive Income (Loss) for the Three and Six Months Ended June 30, 2018 and 2017	4
Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2018 and 2017	5
The Hertz Corporation and Subsidiaries	
Condensed Consolidated Balance Sheets as of June 30, 2018 and December 31, 2017	7
Condensed Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2018 and 2017	8
Condensed Consolidated Statements of Comprehensive Income (Loss) for the Three and Six Months Ended June 30, 2018 and 2017	9
Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2018 and 2017	10
Notes to the Condensed Consolidated Financial Statements	
Note 1 Background	12
Note 2 Basis of Presentation and Recently Issued Accounting Pronouncements	12
Note 3 Acquisitions and Divestitures	19
Note 4 Revenue Earning Vehicles	19
Note 5 Intangible Asset Impairment	21
Note 6 Debt	21
Note 7 Revenue	27
Note 8 Income Tax (Provision) Benefit	30
Note 9 Earnings (Loss) Per Share - Hertz Global	31
Note 10 Fair Value Measurements	31
Note 11 Contingencies and Off-Balance Sheet Commitments	32
Note 12 Related Party Transactions	35
Note 13 Segment Information	36
Note 14 Guarantor and Non-Guarantor Condensed Consolidating Financial Information - Hertz	39

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited
(In millions, except par value)

	June 30, 2018	December 31, 2017
ASSETS		
Cash and cash equivalents	\$ 685	\$ 1,072
Restricted cash and cash equivalents:		
Vehicle	209	386
Non-vehicle	27	46
Total restricted cash and cash equivalents	236	432
Total cash, cash equivalents, restricted cash and restricted cash equivalents	921	1,504
Receivables:		
Vehicle	354	531
Non-vehicle, net of allowance of \$29 and \$33, respectively	1,072	834
Total receivables, net	1,426	1,365
Prepaid expenses and other assets	922	687
Revenue earning vehicles:		
Vehicles	17,706	14,574
Less accumulated depreciation	(3,289)	(3,238)
Total revenue earning vehicles, net	14,417	11,336
Property and equipment:		
Land, buildings and leasehold improvements	1,204	1,233
Service equipment and other	790	763
Less accumulated depreciation	(1,192)	(1,156)
Total property and equipment, net	802	840
Other intangible assets, net	3,200	3,242
Goodwill	1,083	1,084
Total assets ^(a)	\$ 22,771	\$ 20,058
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable:		
Vehicle	\$ 697	\$ 294
Non-vehicle	794	652
Total accounts payable	1,491	946
Accrued liabilities	1,158	920
Accrued taxes, net	162	160
Debt:		
Vehicle	12,933	10,431
Non-vehicle	4,431	4,434
Total debt	17,364	14,865
Public liability and property damage	421	427
Deferred income taxes, net	1,106	1,220
Total liabilities ^(a)	21,702	18,538
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock, \$0.01 par value, no shares issued and outstanding	—	—
Common Stock, \$0.01 par value, 86 and 86 shares issued and 84 and 84 shares outstanding	1	1
Additional paid-in capital	2,253	2,243
Accumulated deficit	(960)	(506)
Accumulated other comprehensive income (loss)	(135)	(118)
Treasury Stock, at cost, 2 shares and 2 shares	(100)	(100)
Total stockholders' equity attributable to Hertz Global	1,059	1,520
Non-controlling interest	10	—
Total stockholders' equity	1,069	1,520
Total liabilities and stockholders' equity	\$ 22,771	\$ 20,058

(a) Hertz Global Holdings, Inc.'s consolidated total assets as of June 30, 2018 and December 31, 2017 include total assets of variable interest entities ("VIEs") of \$706

million and \$524 million, respectively, which can only be used to settle obligations of the VIEs. Hertz Global Holdings, Inc.'s consolidated total liabilities as of June 30, 2018 and December 31, 2017 include total liabilities of VIEs of \$696 million and \$524 million, respectively, for which the creditors of the VIEs have no recourse to Hertz Global Holdings, Inc. See "Special Purpose Entities" in Note 6, "Debt," and "Other Relationships" in Note 12, "Related Party Transactions," for further information.

The accompanying notes are an integral part of these financial statements.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited

(In millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenues:				
Worldwide vehicle rental	\$ 2,217	\$ 2,062	\$ 4,111	\$ 3,827
All other operations	172	162	341	313
Total revenues	<u>2,389</u>	<u>2,224</u>	<u>4,452</u>	<u>4,140</u>
Expenses:				
Direct vehicle and operating	1,349	1,255	2,585	2,387
Depreciation of revenue earning vehicles and lease charges, net	687	743	1,348	1,444
Selling, general and administrative	265	223	498	442
Interest expense, net:				
Vehicle	127	82	221	153
Non-vehicle	73	76	146	136
Total interest expense, net	<u>200</u>	<u>158</u>	<u>367</u>	<u>289</u>
Intangible asset impairments	—	86	—	86
Other (income) expense, net	(26)	4	(29)	31
Total expenses	<u>2,475</u>	<u>2,469</u>	<u>4,769</u>	<u>4,679</u>
Income (loss) before income taxes	(86)	(245)	(317)	(539)
Income tax (provision) benefit	23	87	52	158
Net income (loss)	<u>\$ (63)</u>	<u>\$ (158)</u>	<u>\$ (265)</u>	<u>\$ (381)</u>
Weighted average shares outstanding:				
Basic	84	83	83	83
Diluted	84	83	83	83
Earnings (loss) per share - basic and diluted:				
Basic earnings (loss) per share	\$ (0.75)	\$ (1.90)	\$ (3.19)	\$ (4.59)
Diluted earnings (loss) per share	\$ (0.75)	\$ (1.90)	\$ (3.19)	\$ (4.59)

The accompanying notes are an integral part of these financial statements.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Unaudited
(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net income (loss)	\$ (63)	\$ (158)	\$ (265)	\$ (381)
Other comprehensive income (loss):				
Foreign currency translation adjustments	(19)	(4)	(19)	12
Reclassification of realized gain on securities to other (income) expense	—	—	—	(3)
Net gain (loss) on defined benefit pension plans	5	(3)	2	(4)
Reclassification from other comprehensive income (loss) to selling, general and administrative expense for amortization of actuarial (gains) losses on defined benefit pension plans	—	1	—	2
Total other comprehensive income (loss) before income taxes	(14)	(6)	(17)	7
Income tax (provision) benefit related to net gains and losses on defined benefit pension plans	—	—	—	—
Income tax (provision) benefit related to reclassified amounts of net periodic costs on defined benefit pension plans	—	(1)	—	(1)
Total other comprehensive income (loss)	(14)	(7)	(17)	6
Total comprehensive income (loss)	\$ (77)	\$ (165)	\$ (282)	\$ (375)

The accompanying notes are an integral part of these financial statements.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited
(In millions)

	Six Months Ended June 30,	
	2018	2017
Cash flows from operating activities:		
Net income (loss)	\$ (265)	\$ (381)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation of revenue earning vehicles, net	1,306	1,410
Depreciation and amortization, non-vehicle	113	120
Amortization of deferred financing costs and debt discount (premium)	26	21
Loss on extinguishment of debt	22	8
Stock-based compensation charges	7	12
Provision for receivables allowance	19	17
Deferred income taxes, net	(74)	(175)
Impairment charges and asset write-downs	—	116
Gain on marketable securities	(17)	(3)
Other	3	7
Changes in assets and liabilities:		
Non-vehicle receivables	(275)	(180)
Prepaid expenses and other assets	(84)	(71)
Non-vehicle accounts payable	154	115
Accrued liabilities	5	(53)
Accrued taxes, net	2	(1)
Public liability and property damage	—	1
Net cash provided by (used in) operating activities	<u>942</u>	<u>963</u>
Cash flows from investing activities:		
Revenue earning vehicles expenditures	(7,610)	(6,709)
Proceeds from disposal of revenue earning vehicles	3,654	3,835
Capital asset expenditures, non-vehicle	(80)	(84)
Proceeds from disposal of property and other equipment	8	11
Purchases of marketable securities	(61)	—
Sales of marketable securities	36	9
Other	(2)	(2)
Net cash provided by (used in) investing activities	<u>(4,055)</u>	<u>(2,940)</u>

The accompanying notes are an integral part of these financial statements.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

Unaudited
(In millions)

	Six Months Ended June 30,	
	2018	2017
Cash flows from financing activities:		
Proceeds from issuance of vehicle debt	9,414	5,028
Repayments of vehicle debt	(6,829)	(3,665)
Proceeds from issuance of non-vehicle debt	187	2,100
Repayments of non-vehicle debt	(194)	(354)
Payment of financing costs	(27)	(34)
Early redemption premium payment	(19)	(5)
Other	8	(1)
Net cash provided by (used in) financing activities	2,540	3,069
Effect of foreign currency exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	(10)	17
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents during the period	(583)	1,109
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	1,504	1,094
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	\$ 921	\$ 2,203
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest, net of amounts capitalized:		
Vehicle	\$ 175	\$ 130
Non-vehicle	142	128
Income taxes, net of refunds	10	29
Supplemental disclosures of non-cash information:		
Purchases of revenue earning vehicles included in accounts payable and accrued liabilities, net of incentives	\$ 548	\$ 546
Sales of revenue earning vehicles included in receivables	204	151
Purchases of non-vehicle capital assets included in accounts payable	42	41
Sales of non-vehicle capital assets included in receivables	4	5
Revenue earning vehicles and non-vehicle capital assets acquired through capital lease	16	13

The accompanying notes are an integral part of these financial statements.

THE HERTZ CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited
(In millions, except par value and share data)

	June 30, 2018	December 31, 2017
ASSETS		
Cash and cash equivalents	\$ 685	\$ 1,072
Restricted cash and cash equivalents:		
Vehicle	209	386
Non-vehicle	27	46
Total restricted cash and cash equivalents	236	432
Total cash, cash equivalents, restricted cash and restricted cash equivalents	921	1,504
Receivables:		
Vehicle	354	531
Non-vehicle, net of allowance of \$29 and \$33, respectively	1,072	834
Total receivables, net	1,426	1,365
Prepaid expenses and other assets	922	687
Revenue earning vehicles:		
Vehicles	17,706	14,574
Less accumulated depreciation	(3,289)	(3,238)
Total revenue earning vehicles, net	14,417	11,336
Property and equipment:		
Land, buildings and leasehold improvements	1,204	1,233
Service equipment and other	790	763
Less accumulated depreciation	(1,192)	(1,156)
Total property and equipment, net	802	840
Other intangible assets, net	3,200	3,242
Goodwill	1,083	1,084
Total assets ^(a)	\$ 22,771	\$ 20,058
LIABILITIES AND STOCKHOLDER'S EQUITY		
Accounts payable:		
Vehicle	\$ 697	\$ 294
Non-vehicle	794	652
Total accounts payable	1,491	946
Accrued liabilities	1,158	920
Accrued taxes, net	162	160
Debt:		
Vehicle	12,933	10,431
Non-vehicle	4,431	4,434
Total debt	17,364	14,865
Public liability and property damage	421	427
Deferred income taxes, net	1,107	1,220
Total liabilities ^(a)	21,703	18,538
Commitments and contingencies		
Stockholder's equity:		
Common Stock, \$0.01 par value, 100 shares issued and outstanding	—	—
Additional paid-in capital	3,179	3,166
Due from affiliate	(48)	(42)
Accumulated deficit	(1,938)	(1,486)
Accumulated other comprehensive income (loss)	(135)	(118)
Total stockholder's equity attributable to Hertz	1,058	1,520
Non-controlling interest	10	—
Total stockholder's equity	1,068	1,520
Total liabilities and stockholder's equity	\$ 22,771	\$ 20,058

(a) The Hertz Corporation's consolidated total assets as of June 30, 2018 and December 31, 2017 include total assets of variable interest entities ("VIEs") of \$706 million and \$524 million, respectively, which can only be used to settle obligations of the VIEs. The Hertz Corporation's consolidated total liabilities as of June 30, 2018 and

December 31, 2017 include total liabilities of VIEs of \$696 million and \$524 million, respectively, for which the creditors of the VIEs have no recourse to the Hertz Corporation. See "Special Purpose Entities" in Note 6, "Debt," and "Other Relationships" in Note 12, "Related Party Transactions," for further information.

The accompanying notes are an integral part of these financial statements.

THE HERTZ CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited

(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenues:				
Worldwide vehicle rental	\$ 2,217	\$ 2,062	\$ 4,111	\$ 3,827
All other operations	172	162	341	313
Total revenues	<u>2,389</u>	<u>2,224</u>	<u>4,452</u>	<u>4,140</u>
Expenses:				
Direct vehicle and operating	1,349	1,255	2,585	2,387
Depreciation of revenue earning vehicles and lease charges, net	687	743	1,348	1,444
Selling, general and administrative	265	223	498	442
Interest expense, net:				
Vehicle	127	82	221	153
Non-vehicle	71	75	143	134
Total interest expense, net	<u>198</u>	<u>157</u>	<u>364</u>	<u>287</u>
Intangible asset impairments	—	86	—	86
Other (income) expense, net	(26)	4	(29)	31
Total expenses	<u>2,473</u>	<u>2,468</u>	<u>4,766</u>	<u>4,677</u>
Income (loss) before income taxes	(84)	(244)	(314)	(537)
Income tax (provision) benefit	23	86	51	157
Net income (loss)	<u>\$ (61)</u>	<u>\$ (158)</u>	<u>\$ (263)</u>	<u>\$ (380)</u>

The accompanying notes are an integral part of these financial statements.

THE HERTZ CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Unaudited
(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net income (loss)	\$ (61)	\$ (158)	\$ (263)	\$ (380)
Other comprehensive income (loss):				
Foreign currency translation adjustments	(19)	(4)	(19)	12
Reclassification of realized gain on securities to other (income) expense	—	—	—	(3)
Net gain (loss) on defined benefit pension plans	5	(3)	2	(4)
Reclassification from other comprehensive income (loss) to selling, general and administrative expense for amortization of actuarial (gains) losses on defined benefit pension plans	—	1	—	2
Total other comprehensive income (loss) before income taxes	(14)	(6)	(17)	7
Income tax (provision) benefit related to net gains and losses on defined benefit pension plans	—	—	—	—
Income tax (provision) benefit related to reclassified amounts of net periodic costs on defined benefit pension plans	—	(1)	—	(1)
Total other comprehensive income (loss)	(14)	(7)	(17)	6
Total comprehensive income (loss)	\$ (75)	\$ (165)	\$ (280)	\$ (374)

The accompanying notes are an integral part of these financial statements.

THE HERTZ CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited
(In millions)

	Six Months Ended June 30,	
	2018	2017
Cash flows from operating activities:		
Net income (loss)	\$ (263)	\$ (380)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation of revenue earning vehicles, net	1,306	1,410
Depreciation and amortization, non-vehicle	113	120
Amortization of deferred financing costs and debt discount (premium)	26	21
Loss on extinguishment of debt	22	8
Stock-based compensation charges	7	12
Provision for receivables allowance	19	17
Deferred income taxes, net	(73)	(174)
Impairment charges and asset write-downs	—	116
Gain on marketable securities	(17)	(3)
Other	3	7
Changes in assets and liabilities:		
Non-vehicle receivables	(275)	(180)
Prepaid expenses and other assets	(84)	(71)
Non-vehicle accounts payable	154	115
Accrued liabilities	5	(53)
Accrued taxes, net	2	(1)
Public liability and property damage	—	1
Net cash provided by (used in) operating activities	<u>945</u>	<u>965</u>
Cash flows from investing activities:		
Revenue earning vehicles expenditures	(7,610)	(6,709)
Proceeds from disposal of revenue earning vehicles	3,654	3,835
Capital asset expenditures, non-vehicle	(80)	(84)
Proceeds from disposal of property and other equipment	8	11
Purchases of marketable securities	(61)	—
Sales of marketable securities	36	9
Other	(2)	(2)
Net cash provided by (used in) investing activities	<u>(4,055)</u>	<u>(2,940)</u>

The accompanying notes are an integral part of these financial statements.

THE HERTZ CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited
(In millions)

	Six Months Ended June 30,	
	2018	2017
Cash flows from financing activities:		
Proceeds from issuance of vehicle debt	9,414	5,028
Repayments of vehicle debt	(6,829)	(3,665)
Proceeds from issuance of non-vehicle debt	187	2,100
Repayments of non-vehicle debt	(194)	(354)
Payment of financing costs	(27)	(34)
Early redemption premium payment	(19)	(5)
Advances to Hertz Holdings	(6)	(3)
Other	11	—
Net cash provided by (used in) financing activities	2,537	3,067
Effect of foreign currency exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	(10)	17
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents during the period	(583)	1,109
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	1,504	1,094
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	\$ 921	\$ 2,203
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest, net of amounts capitalized:		
Vehicle	\$ 175	\$ 130
Non-vehicle	142	128
Income taxes, net of refunds	10	29
Supplemental disclosures of non-cash information:		
Purchases of revenue earning vehicles included in accounts payable and accrued liabilities, net of incentives	\$ 548	\$ 546
Sales of revenue earning vehicles included in receivables	204	151
Purchases of non-vehicle capital assets included in accounts payable	42	41
Sales of non-vehicle capital assets included in receivables	4	5
Revenue earning vehicles and non-vehicle capital assets acquired through capital lease	16	13

The accompanying notes are an integral part of these financial statements.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Unaudited

Note 1—Background

Hertz Global Holdings, Inc. ("Hertz Global" when including its subsidiaries and variable interest entities and "Hertz Holdings" excluding its subsidiaries and variable interest entities) was incorporated in Delaware in 2015 to serve as the top-level holding company for Rental Car Intermediate Holdings, LLC, which wholly owns The Hertz Corporation ("Hertz" and interchangeably with Hertz Global, the "Company"), Hertz Global's primary operating company. Hertz was incorporated in Delaware in 1967 and is a successor to corporations that have been engaged in the vehicle rental and leasing business since 1918. Hertz operates its vehicle rental business globally primarily through the Hertz, Dollar and Thrifty brands from company-owned, licensee and franchisee locations in the United States ("U.S."), Africa, Asia, Australia, Canada, the Caribbean, Europe, Latin America, the Middle East and New Zealand. Through its Donlen subsidiary, Hertz provides vehicle leasing and fleet management services.

Note 2—Basis of Presentation and Recently Issued Accounting Pronouncements***Basis of Presentation***

The Company's unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments of a normal recurring nature that are necessary for a fair presentation of the results for the interim periods presented. Interim results are not necessarily indicative of results for a full year.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and footnotes. Actual results could differ materially from those estimates.

The December 31, 2017 unaudited condensed consolidated balance sheet data is derived from audited financial statements, but does not include all disclosures required by U.S. GAAP. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with information included in the Company's Form 10-K for the year ended December 31, 2017 (the "2017 Form 10-K"), as filed with the Securities and Exchange Commission ("SEC") on February 27, 2018. Certain prior period amounts have been reclassified to conform with current period presentation.

As disclosed below in "Recently Issued Accounting Pronouncements," the Company adopted the financial statement disclosure guidance "Restricted Cash" on January 1, 2018.

Principles of Consolidation

The unaudited condensed consolidated financial statements of Hertz Global include the accounts of Hertz Global and its wholly owned and majority owned U.S. and international subsidiaries. The unaudited condensed consolidated financial statements of Hertz include the accounts of Hertz and its wholly owned and majority owned U.S. and international subsidiaries. The Company is the primary beneficiary of certain variable interest entities, therefore, the assets, liabilities, results of operations and cash flows of the variable interest entities are included in the Company's unaudited condensed consolidated financial statements. The Company accounts for its investment in joint ventures using the equity method when it has significant influence but not control and is not the primary beneficiary. All significant intercompany transactions have been eliminated in consolidation.

Out of Period Adjustments

The Company identified a misstatement in its 2016 financial statements, related to the income tax provision, that it corrected in the second quarter of 2017. The cumulative impact of the adjustment was an increase in net loss of approximately \$10 million. There was no impact to loss before income taxes. The misstatement related to an error in the tax provision for U.S. income of a foreign equity investment transaction for fiscal year 2016. The Company considered

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

both quantitative and qualitative factors in assessing the materiality of the item and determined that the misstatement was not material to any prior period and not material to the three and six months ended June 30, 2017.

Correction of Errors

The Company identified classification errors within the operating and investing sections of its unaudited condensed consolidated statement of cash flows for the six months ended June 30, 2017 that were previously disclosed in the Company's Form 10-Q for the quarterly period ended March 31, 2018. The error related to \$19 million of intangible software assets for which no payment was made as of June 30, 2017.

The Company considered both quantitative and qualitative factors in assessing the materiality of the classification errors individually, and in the aggregate, and determined that the classification errors are not material and revised the accompanying unaudited condensed consolidated statement of cash flows for the six months ended June 30, 2017, accordingly. Correction of the error decreased cash provided by operating activities for changes in non-vehicle accounts payable by \$19 million, decreased cash used in investing activities by \$19 million, and decreased capital asset expenditures, non-vehicle by \$19 million. Also, there was a \$19 million increase in the non-cash supplemental disclosure for purchases of non-vehicle capital assets included in accounts payable. These revisions had no impact to cash flows from financing activities. Additionally, these revisions had no impact on the Company's unaudited condensed consolidated balance sheet as of December 31, 2017 or its unaudited condensed consolidated statement of operations for the three and six months ended June 30, 2017.

Recently Issued Accounting Pronouncements

Adopted

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board (the "FASB") issued guidance that replaced most existing revenue recognition guidance in U.S. GAAP. The FASB also issued several amendments and updates to the new revenue standard (collectively, "Topic 606"). Topic 606 applies to all contracts with customers except for leases, insurance contracts, financial instruments, certain nonmonetary exchanges and certain guarantees. The core principle of Topic 606 is that an entity should recognize revenue from customers for the transfer of goods or services equal to the amount that it expects to be entitled to receive for those goods or services, as well as when an entity should recognize revenue gross as a principal or net as an agent and how an entity should identify performance obligations. Topic 606 requires disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. The Company adopted Topic 606 on the effective date, January 1, 2018, using a modified retrospective approach applied to all contracts. Prior periods have not been retrospectively adjusted.

The impact to the Company's financial position, results of operations and cash flows is primarily for revenue associated with the redemption of points earned by customers under the Company's loyalty programs ("loyalty points"). For transactions that generate loyalty points to the customer, a portion of revenue is deferred until the loyalty points are redeemed by the customer. The amount of revenue deferred is equivalent to the retail value of each loyalty point less an estimated amount representing loyalty points that are not expected to be redeemed.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

The cumulative effect of applying the new guidance to all contracts with customers that were not completed as of January 1, 2018 has been recorded as an adjustment to accumulated deficit, net of tax, as of the adoption date as follows:

Hertz Global

(In millions)	Deferred income taxes, net	Accrued liabilities	Total liabilities	Accumulated deficit	Total equity	Total liabilities and equity
As of December 31, 2017	\$ 1,220	\$ 920	\$ 18,538	\$ (506)	\$ 1,520	\$ 20,058
Effect of Adopting ASC 606	(51)	240	189	(189)	(189)	—
As of January 1, 2018	<u>\$ 1,169</u>	<u>\$ 1,160</u>	<u>\$ 18,727</u>	<u>\$ (695)</u>	<u>\$ 1,331</u>	<u>\$ 20,058</u>

Hertz

(In millions)	Deferred income taxes, net	Accrued liabilities	Total liabilities	Accumulated deficit	Total equity	Total liabilities and equity
As of December 31, 2017	\$ 1,220	\$ 920	\$ 18,538	\$ (1,486)	\$ 1,520	\$ 20,058
Effect of Adopting ASC 606	(51)	240	189	(189)	(189)	—
As of January 1, 2018	<u>\$ 1,169</u>	<u>\$ 1,160</u>	<u>\$ 18,727</u>	<u>\$ (1,675)</u>	<u>\$ 1,331</u>	<u>\$ 20,058</u>

As disclosed above, the Company adopted Topic 606 on a modified retrospective basis, therefore, historical financial information has not been restated for comparative purposes and continues to be reported under the accounting standards in effect for those periods (“legacy guidance”). The following table presents the amounts for line items in the Company’s unaudited condensed consolidated balance sheet, statement of operations and cash flows impacted by the adoption of Topic 606 as compared to the amounts that would have been recognized in accordance with legacy guidance. The impact to the Company’s unaudited condensed consolidated statement of comprehensive income (loss) is comprised solely of the impact to net income (loss) as shown in the table below:

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

Hertz Global

(In millions, except per share data)	As Reported	Effect of Adoption Increase (Decrease)	Balances Without Adoption
Unaudited Condensed Consolidated Balance Sheet as of June 30, 2018:			
Accrued liabilities	\$ 1,158	\$ 239	\$ 919
Deferred income taxes, net	1,106	(53)	1,159
Total liabilities	21,702	186	21,516
Accumulated deficit	(960)	(186)	(774)
Total stockholders' equity	1,069	(186)	1,255
Unaudited Condensed Consolidated Statement of Operations for the Three Months Ended June 30, 2018:			
Worldwide vehicle rental revenues	\$ 2,217	\$ (2)	\$ 2,219
Selling, general and administrative expense	265	(1)	266
Income (loss) before income taxes	(86)	(1)	(85)
Income tax (provision) benefit	23	2	21
Net income (loss)	(63)	1	(64)
Basic earnings (loss) per share	(0.75)	0.01	(0.76)
Diluted earnings (loss) per share	(0.75)	0.01	(0.76)
Unaudited Condensed Consolidated Statement of Operations for the Six Months Ended June 30, 2018:			
Worldwide vehicle rental revenues	\$ 4,111	\$ 1	\$ 4,110
Selling, general and administrative expense	498	—	498
Income (loss) before income taxes	(317)	1	(318)
Income tax (provision) benefit	52	2	50
Net income (loss)	(265)	3	(268)
Basic earnings (loss) per share	(3.19)	0.04	(3.23)
Diluted earnings (loss) per share	(3.19)	0.04	(3.23)
Unaudited Condensed Consolidated Statement of Cash Flow for the Six Months Ended June 30, 2018:			
Cash flows from operating activities:			
Net income (loss)	\$ (265)	\$ 3	\$ (268)
Deferred income taxes, net	(74)	(2)	(72)
Accrued liabilities	5	(1)	6

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

Hertz

(In millions, except per share data)	As Reported	Effect of Adoption Increase (Decrease)	Balances Without Adoption
Unaudited Condensed Consolidated Balance Sheet as of June 30, 2018:			
Accrued liabilities	\$ 1,158	\$ 239	\$ 919
Deferred income taxes, net	1,107	(53)	1,160
Total liabilities	21,703	186	21,517
Accumulated deficit	(1,938)	(186)	(1,752)
Total stockholders' equity	1,068	(186)	1,254
Unaudited Condensed Consolidated Statement of Operations for the Three Months Ended June 30, 2018:			
Worldwide vehicle rental revenues	\$ 2,217	\$ (2)	\$ 2,219
Selling, general and administrative expense	265	(1)	266
Income (loss) before income taxes	(84)	(1)	(83)
Income tax (provision) benefit	23	2	21
Net income (loss)	(61)	1	(62)
Unaudited Condensed Consolidated Statement of Operations for the Six Months Ended June 30, 2018:			
Worldwide vehicle rental revenues	\$ 4,111	\$ 1	\$ 4,110
Selling, general and administrative expense	498	—	498
Income (loss) before income taxes	(314)	1	(315)
Income tax (provision) benefit	51	2	49
Net income (loss)	(263)	3	(266)
Unaudited Condensed Consolidated Statement of Cash Flow for the Six Months Ended June 30, 2018:			
Cash flows from operating activities:			
Net income (loss)	\$ (263)	\$ 3	\$ (266)
Deferred income taxes, net	(73)	(2)	(71)
Accrued liabilities	5	(1)	6

See Note 7, "Revenue," for information regarding the Company's accounting policies for revenue recognition, including the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, as well as other required disclosures under Topic 606.

Restricted Cash

In November 2016, the FASB issued guidance that clarifies existing guidance on the classification and presentation of restricted cash in the statement of cash flows. The guidance requires entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. Additionally, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. The Company adopted this guidance retrospectively in accordance with the effective date on January 1, 2018.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

Adoption of this guidance had no impact on the Company's financial position or results of operations. The impact to the unaudited condensed consolidated statement of cash flows of adopting this guidance is as follows:

Hertz Global

(In millions)	Six Months Ended June 30, 2017		
	As Previously Reported	Adjustments	As Adjusted
Net change in restricted cash and cash equivalents, vehicle	\$ 55	\$ (55)	\$ —
Net cash provided by (used in) investing activities ^(a)	(2,885)	(55)	(2,940)
Net change in restricted cash and cash equivalents, non-vehicle	(834)	834	—
Net cash provided by (used in) financing activities	2,235	834	3,069
Effect of foreign currency exchange rate changes on cash, cash equivalents, restricted cash and restricted cash	12	5	17
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	816	278	1,094
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	1,141	1,062	2,203

Hertz

(In millions)	Six Months Ended June 30, 2017		
	As Previously Reported	Adjustments	As Adjusted
Net change in restricted cash and cash equivalents, vehicle	\$ 55	\$ (55)	\$ —
Net cash provided by (used in) investing activities ^(a)	(2,885)	(55)	(2,940)
Net change in restricted cash and cash equivalents, non-vehicle	(834)	834	—
Net cash provided by (used in) financing activities	2,233	834	3,067
Effect of foreign currency exchange rate changes on cash, cash equivalents, restricted cash and restricted cash	12	5	17
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	816	278	1,094
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	1,141	1,062	2,203

(a) Amount previously reported includes the \$19 million revision to correct for an error as disclosed above in "Correction of Errors."

Not Yet Adopted

Leases

In February 2016, the FASB issued guidance that replaces the existing lease guidance in U.S. GAAP. The new guidance ("Topic 842") establishes a right-of-use ("ROU") model that requires a lessee to record on the balance sheet a ROU asset and corresponding lease liability based on the present value of future lease payments for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Topic 842 also expands the requirements for lessees to record leases embedded in other arrangements. Additionally, enhanced quantitative and qualitative disclosures surrounding leases are required which provide financial statement users the ability to assess the amount, timing and uncertainty of cash flows arising from leases. Topic 842 is effective for annual periods beginning after December 15, 2018 and interim periods within those annual periods with early adoption permitted. The Company intends to adopt this guidance, in accordance with the effective date, on January 1, 2019. A modified retrospective transition approach is required for both lessees and lessors for existing leases at, or entered into after, the beginning of the earliest comparative period

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

presented in the financial statements. The Company intends to avail itself of the allowable practical expedients for existing or expired contracts of lessees and lessors wherein the Company would not be required to reassess whether such contracts contain leases, the lease classification or the initial direct costs. Additionally, with respect to its real estate leases, the Company intends to avail itself of the practical expedient for lessees which allows it to elect an accounting policy by class of underlying asset to combine lease and non-lease components. The Company does not intend to utilize the practical expedient which allows the use of hindsight by lessees and lessors in determining the lease term and in assessing impairment of its ROU assets. The Company is in the process of evaluating whether to avail itself of other allowable practicable expedients during transition.

In July 2018, the FASB issued guidance related to Topic 842 that provides an additional transition method that would allow the Company to only apply the new lease standard in the year of adoption. Additionally, the guidance provides a practical expedient for lessors that would allow the Company to elect as an accounting policy, by class of underlying asset, to combine non-lease components with the related lease components, if certain conditions are met. This could allow the Company to account for all revenue earned from the operations of rental vehicles and from other forms of rental related activities under the new lease guidance. The Company plans to adopt the new transition method which allows the application of the standard at the adoption date, January 1, 2019, and will recognize a cumulative-effect adjustment to the opening balances of retained earnings in the period of adoption. The Company is in the process of evaluating the new guidance related to the practical expedient.

Lessee

Adoption of Topic 842 will result in a material increase in the Company's lease-related assets and liabilities on its balance sheet, primarily for leases of rental locations and other assets. Additionally, adoption of this guidance will impact the statement of cash flows with respect to the presentation of the Company's operating activities, but is not expected to impact its presentation of investing or financing activities. Adoption of Topic 842 is not expected to have a material impact on the Company's results of operations. The Company has reached conclusions on key accounting assessments related to its leases which includes an accounting policy election to not recognize ROU assets or lease liabilities for short-term leases (i.e. those with a term of 12 months or less). The Company is performing an analysis of its lease portfolio to ensure proper application of the new guidance including implementation of internal controls over financial reporting.

Lessor

The Company has concluded that revenue earned from the rental and leasing of vehicles and from other forms of rental related activities wherein an identified asset is transferred to the customer and the customer has the ability to control that asset is within the scope of this guidance and that additional disclosures regarding lease revenue are required upon adoption. The Company is in the process of evaluating the breakdown of its vehicle rental revenues into lease and non-lease components. There is no impact to the nature, timing or recognition of rental lease revenue upon adoption of this guidance.

Reporting Comprehensive Income

In February 2018, the FASB issued guidance that allows a reclassification from accumulated other comprehensive income to retained earnings for the stranded tax effects resulting from the U.S. Tax Cuts and Jobs Act ("TCJA"). The guidance is effective for annual periods beginning after December 15, 2018, and interim periods within those annual periods. The guidance should be applied either in the period of adoption or retrospectively to each period in which the effect of the change in the U.S. federal corporate income tax rate in the TCJA is recognized. Early adoption is permitted, including adoption in any interim period. Adoption of this guidance will result in a reclassification of certain amounts from accumulated other comprehensive income to retained earnings as of the date adopted.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

Note 3—Acquisitions and Divestitures

Divestitures

Equity Investment

The Company had an investment that was accounted for under the equity method. In March 2017, the Company determined it had an other than temporary loss in value of its investment and recorded an impairment charge of \$30 million, which is included in other (income) expense, net in the accompanying unaudited condensed consolidated statement of operations for the six months ended June 30, 2017. In September 2017, the investee was dissolved and the Company no longer has an ownership interest in the entity.

Note 4—Revenue Earning Vehicles

The components of revenue earning vehicles, net are as follows:

<u>(In millions)</u>	June 30, 2018	December 31, 2017
Revenue earning vehicles	\$ 17,256	\$ 14,209
Less: Accumulated depreciation	(3,162)	(3,123)
	14,094	11,086
Revenue earning vehicles held for sale, net	323	250
Revenue earning vehicles, net	\$ 14,417	\$ 11,336

Depreciation of revenue earning vehicles and lease charges, net includes the following:

<u>(In millions)</u>	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Depreciation of revenue earning vehicles	\$ 634	\$ 660	\$ 1,228	\$ 1,265
(Gain) loss on disposal of revenue earning vehicles ^(a)	31	66	78	145
Rents paid for vehicles leased	22	17	42	34
Depreciation of revenue earning vehicles and lease charges, net	\$ 687	\$ 743	\$ 1,348	\$ 1,444

(a) (Gain) loss on disposal of revenue earning vehicles by segment is as follows:

<u>(In millions)</u>	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
U.S. Rental Car ⁽ⁱ⁾	\$ 34	\$ 67	\$ 79	\$ 145
International Rental Car	(3)	(1)	(1)	—
Total	\$ 31	\$ 66	\$ 78	\$ 145

(i) Includes costs associated with the Company's U.S. vehicle sales operations of \$34 million for each of the three months ended June 30, 2018 and 2017 and \$70 million and \$63 million for the six months ended June 30, 2018 and 2017, respectively.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

Depreciation rates are reviewed on a quarterly basis based on management's ongoing assessment of present and estimated future market conditions, their effect on residual values at the time of disposal and the estimated holding periods for the vehicles. The impact of depreciation rate changes is as follows:

<u>Increase (decrease)</u> <u>(In millions)</u>	<u>Three Months Ended</u> <u>June 30,</u>		<u>Six Months Ended</u> <u>June 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
U.S. Rental Car ^(a)	\$ 3	\$ 36	\$ 12	\$ 62
International Rental Car	1	1	3	1
Total	\$ 4	\$ 37	\$ 15	\$ 63

- (a) The depreciation rate changes in the U.S. Rental Car operations for the three and six months ended June 30, 2018 include a net increase in depreciation expense of \$2 million based on the review completed during the second quarter of 2018. The depreciation rate changes in the U.S. Rental Car operations for the three and six months ended June 30, 2017 include a net increase in depreciation expense of \$24 million based on the review completed during the second quarter of 2017.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

Note 5—Intangible Asset Impairment

As a result of declines in revenue and profitability of the Company and a decline in the share price of Hertz Global's common stock, the Company performed an impairment analysis of its indefinite-lived intangible assets as of June 30, 2017 using the relief from royalty method, a measurement using level 3 inputs under the GAAP fair value hierarchy. As a result of the analysis, the Company concluded that there was an impairment of the Dollar Thrifty tradename in its U.S. Rental Car segment and recorded a charge of \$86 million. The impairment was largely due to a decrease in long-term revenue projections coupled with an increase in the weighted average cost of capital. The carrying value of the Dollar Thrifty tradename at June 30, 2017 was approximately \$934 million, representing its estimated fair value.

Note 6—Debt

The Company's debt, including its available credit facilities, consists of the following (\$ in millions):

Facility	Weighted Average Interest Rate as of June 30, 2018	Fixed or Floating Interest Rate	Maturity	June 30, 2018	December 31, 2017
Non-Vehicle Debt					
Senior Term Loan	4.85%	Floating	6/2023	\$ 681	\$ 688
Senior RCF	N/A	Floating	6/2021	—	—
Senior Notes ⁽¹⁾	6.13%	Fixed	10/2020-10/2024	2,500	2,500
Senior Second Priority Secured Notes	7.63%	Fixed	6/2022	1,250	1,250
Promissory Notes	7.00%	Fixed	1/2028	27	27
Other Non-Vehicle Debt	1.91%	Fixed	Various	11	11
Unamortized Debt Issuance Costs and Net (Discount) Premium				(38)	(42)
Total Non-Vehicle Debt				4,431	4,434
Vehicle Debt					
<i>HVF U.S. Vehicle Medium Term Notes</i>					
HVF Series 2010-1	N/A	N/A	N/A	—	39
HVF Series 2013-1 ⁽²⁾	1.91%	Fixed	8/2018	208	625
				208	664
<i>HVF II U.S. ABS Program</i>					
<i>HVF II U.S. Vehicle Variable Funding Notes</i>					
HVF II Series 2013-A ⁽²⁾	3.58%	Floating	3/2020	3,030	1,970
HVF II Series 2013-B ⁽²⁾	3.52%	Floating	3/2020	28	123
				3,058	2,093

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

Facility	Weighted Average Interest Rate as of June 30, 2018	Fixed or Floating Interest Rate	Maturity	June 30, 2018	December 31, 2017
<i>HVF II U.S. Vehicle Medium Term Notes</i>					
HVF II Series 2015-1 ⁽²⁾	2.93%	Fixed	3/2020	780	780
HVF II Series 2015-2 ⁽²⁾	2.45%	Fixed	9/2018	265	265
HVF II Series 2015-3 ⁽²⁾	3.10%	Fixed	9/2020	371	371
HVF II Series 2016-1 ⁽²⁾	2.89%	Fixed	3/2019	466	466
HVF II Series 2016-2 ⁽²⁾	3.41%	Fixed	3/2021	595	595
HVF II Series 2016-3 ⁽²⁾	2.72%	Fixed	7/2019	424	424
HVF II Series 2016-4 ⁽²⁾	3.09%	Fixed	7/2021	424	424
HVF II Series 2017-1 ⁽²⁾	3.38%	Fixed	10/2020	450	450
HVF II Series 2017-2 ⁽²⁾	3.57%	Fixed	10/2022	350	350
HVF II Series 2018-1 ⁽²⁾	3.41%	Fixed	2/2023	1,000	—
HVF II Series 2018-2 ⁽²⁾	3.80%	Fixed	6/2021	200	—
HVF II Series 2018-3 ⁽²⁾	4.15%	Fixed	7/2023	200	—
				<u>5,525</u>	<u>4,125</u>
<i>Donlen ABS Program</i>					
<i>HFLF Variable Funding Notes</i>					
HFLF Series 2013-2 ⁽²⁾	2.56%	Floating	3/2020	66	380
				<u>66</u>	<u>380</u>
<i>HFLF Medium Term Notes</i>					
HFLF Series 2015-1 ⁽⁴⁾	2.97%	Floating	7/2018-3/2019	85	145
HFLF Series 2016-1 ⁽⁴⁾	3.15%	Both	7/2018-1/2020	239	318
HFLF Series 2017-1 ⁽⁴⁾	2.61%	Both	7/2018-8/2020	480	500
HFLF Series 2018-1 ⁽⁴⁾	2.55%	Both	7/2019-6/2021	550	—
				<u>1,354</u>	<u>963</u>
<i>Vehicle Debt - Other</i>					
U.S. Vehicle RCF	4.56%	Floating	6/2021	133	186
European Revolving Credit Facility	2.95%	Floating	3/2020	410	184
European Vehicle Notes ⁽³⁾	5.07%	Fixed	10/2021-3/2023	838	773
European Securitization ⁽²⁾	1.70%	Floating	10/2018-3/2020	490	367
Canadian Securitization ⁽²⁾	3.13%	Floating	10/2018-3/2020	308	237
Australian Securitization ⁽²⁾	3.51%	Floating	3/2020	132	155
New Zealand RCF	4.71%	Floating	3/2020	36	42
U.K. Financing Facility	2.86%	Floating	7/2018-4/2021	377	251
Other Vehicle Debt	3.98%	Floating	7/2018-10/2022	51	51
				<u>2,775</u>	<u>2,246</u>
Unamortized Debt Issuance Costs and Net (Discount) Premium				(53)	(40)
Total Vehicle Debt				<u>12,933</u>	<u>10,431</u>
Total Debt				<u>\$ 17,364</u>	<u>\$ 14,865</u>

N/A - Not applicable

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

- (1) References to the "Senior Notes" include the series of Hertz's unsecured senior notes set forth on the table below. Outstanding principal amounts for each such series of the Senior Notes is also specified below:

<u>(In millions)</u>	Outstanding Principal	
	June 30, 2018	December 31, 2017
Senior Notes		
5.875% Senior Notes due October 2020	\$ 700	\$ 700
7.375% Senior Notes due January 2021	500	500
6.250% Senior Notes due October 2022	500	500
5.500% Senior Notes due October 2024	800	800
	<u>\$ 2,500</u>	<u>\$ 2,500</u>

- (2) Maturity reference is to the earlier "expected final maturity date" as opposed to the subsequent "legal final maturity date." The expected final maturity date is the date by which Hertz and investors in the relevant indebtedness expect the outstanding principal of the relevant indebtedness to be repaid in full. The legal final maturity date is the date on which the outstanding principal of the relevant indebtedness is legally due and payable in full.

- (3) References to the "European Vehicle Notes" include the series of Hertz Holdings Netherlands B.V.'s, an indirect wholly-owned subsidiary of Hertz organized under the laws of The Netherlands ("HHN BV"), unsecured senior notes (converted from Euros to U.S. dollars at a rate of 1.16 to 1 and 1.19 to 1 as of June 30, 2018 and December 31, 2017, respectively) set forth on the table below. Outstanding principal amounts for each such series of the European Vehicle Notes is also specified below:

<u>(In millions)</u>	Outstanding Principal	
	June 30, 2018	December 31, 2017
European Vehicles Notes		
4.375% Senior Notes due January 2019	\$ —	\$ 505
4.125% Senior Notes due October 2021	260	268
5.500% Senior Notes due March 2023	578	—
	<u>\$ 838</u>	<u>\$ 773</u>

- (4) In the case of the Hertz Fleet Lease Funding LP ("HFLF") Medium Term Notes, such notes are repayable from cash flows derived from third-party leases comprising the underlying HFLF collateral pool. The initial maturity date referenced for each series of HFLF Medium Term Notes represents the end of the revolving period for such series, at which time the related notes begin to amortize monthly by an amount equal to the lease collections payable to that series. To the extent the revolving period already has ended, the initial maturity date reflected is July 2018. The second maturity date referenced for each series of HFLF Medium Term Notes represents the date by which Hertz and the investors in the related series expect such series of notes to be repaid in full, which is based upon various assumptions made at the time of pricing of such notes, including the contractual amortization of the underlying leases as well as the assumed rate of prepayments of such leases. Such maturity reference is to the "expected final maturity date" as opposed to the subsequent "legal final maturity date." The legal final maturity date is the date on which the relevant indebtedness is legally due and payable. Although the underlying lease cash flows that support the repayment of the HFLF Medium Term Notes may vary, the cash flows generally are expected to approximate a straight-line amortization of the related notes from the initial maturity date through the expected final maturity date.

The Company is highly leveraged and a substantial portion of its liquidity needs arise from debt service on its indebtedness and from the funding of its costs of operations, acquisitions and capital expenditures. The Company's practice is to maintain sufficient liquidity through cash from operations, credit facilities and other financing arrangements, to mitigate any adverse impact on its operations resulting from adverse financial market conditions. As of June 30, 2018, approximately \$2.2 billion of vehicle debt and \$25 million of non-vehicle debt is due to mature between July 1, 2018 and June 30, 2019.

The Company has reviewed its debt facilities and determined that it is probable that the Company will be able, and has the intent, to refinance these facilities at such times as the Company determines appropriate prior to their respective maturities.

Non-Vehicle Debt

Senior Facilities

In June 2018, the Company terminated letters of credit issued under the Senior RCF with a stated amount of approximately \$302 million and, reissued such letters of credit under the Letter of Credit Facility, as defined below. As a result, the commitments under the Senior RCF were permanently reduced on a dollar-for-dollar basis, such that after giving effect to such reduction the Senior RCF consists of a \$865 million senior secured revolving credit facility.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

Vehicle Debt

HVF II U.S. Vehicle Variable Funding Notes

HVF II Series 2013 Notes: In April 2018, HVF II increased the maximum commitments under the HVF II Series 2013-A Notes and HVF II Series 2013-B Notes (the "HVF II Series 2013 Notes") by \$250 million, such that after giving effect to such increase, the aggregate maximum principal amount of the HVF II Series 2013 Notes is approximately \$3.7 billion.

HVF II Series 2017-A Notes: In March 2018, HVF II terminated all \$500 million of commitments under the HVF II Series 2017-A Notes.

HVF II U.S. Vehicle Medium Term Notes

HVF II Series 2018-2 Notes and HVF II Series 2018-3 Notes: In June 2018, HVF II issued the Series 2018-2 Rental Car Asset Backed Notes, Class A, Class B, Class C and Class D ("the HVF II Series 2018-2 Notes") and the Series 2018-3 Rental Car Asset Backed Notes, Class A, Class B, Class C and Class D ("the HVF II Series 2018-3 Notes") in an aggregate principal amount of approximately \$426 million. Hertz purchased the Class D Notes of each such series and as a result, approximately \$26 million of the aggregate principal amount is eliminated in consolidation. There is subordination within the HVF II Series 2018-2 Notes and the HVF II Series 2018-3 Notes based on class.

HVF II Series 2018-1 Notes: In January 2018, HVF II issued the Series 2018-1 Rental Car Asset Backed Notes, Class A, Class B, Class C and Class D ("the HVF II Series 2018-1 Notes") in an aggregate principal amount of approximately \$1.1 billion. Hertz purchased the Class D Notes of such series and as a result, approximately \$58 million of the aggregate principal amount is eliminated in consolidation. There is subordination within the HVF II Series 2018-1 Notes based on class.

HFLF Medium Term Notes

HFLF Series 2018-1 Notes: In May 2018, HFLF issued the Series 2018-1 Asset-Backed Notes, Class A, Class B, Class C, Class D, and Class E (collectively, the "HFLF Series 2018-1 Notes") in an aggregate principal amount of \$550 million. The HFLF Series 2018-1 Notes are fixed rate, except for the Class A-1 Notes which are floating rate and carry an interest rate based upon a spread to one-month LIBOR. A portion of the net proceeds of this issuance were used to reduce amounts outstanding under the HFLF Series 2013-2 Notes.

Vehicle Debt - Other

European Vehicle Notes

In March 2018, HHN BV issued 5.50% Senior Notes due March 2023 in an aggregate original principal amount of €500 million (the "2023 Notes"). A portion of the net proceeds from this issuance were used in April 2018 to fully redeem all €425 million of 4.375% Senior Notes due January 2019, and the Company recorded \$20 million of charges for the early redemption premium and write-off of deferred financing costs.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

European Revolving Credit Facility

In March 2018, HHN BV amended its credit agreement ("European Revolving Credit Facility") to provide for aggregate maximum borrowing capacity (subject to borrowing base availability) of up to €438 million during the peak rental season, for a seasonal commitment period through October 2018. Following the expiration of the seasonal commitment period, aggregate maximum borrowings available under the European Revolving Credit Facility will revert to €235 million (subject to borrowing base availability).

Canadian Securitization

In May 2018, TCL Funding Limited Partnership, a bankruptcy remote, indirect, wholly-owned, special purpose subsidiary of Hertz, amended its supplemental indenture for its Series 2015-A Variable Funding Rental Car Asset Backed Notes (the "Funding LP Series 2015-A Notes") to provide for aggregate maximum borrowing capacity (subject to borrowing base availability) of up to CAD\$410 million during the peak rental season, for a seasonal commitment period through October 2018. Following the expiration of the seasonal commitment period, aggregate maximum borrowings available under the Funding LP Series 2015-A Notes will revert to CAD\$350 million (subject to borrowing base availability).

U.K. Financing Facility

In May 2018, Hertz U.K. Limited amended its credit agreement ("U.K. Financing Facility") to provide for aggregate maximum borrowing capacity (subject to asset availability) of up to £287.5 million during the peak rental season, and in July 2018, the U.K. Financing Facility was further amended to provide for aggregate maximum borrowing capacity (subject to asset availability) of up to £300 million during the peak rental season, for a seasonal commitment period through September 2018. Following the expiration of the seasonal commitment period, aggregate maximum borrowings available under the U.K. Financing Facility will revert to £250 million (subject to asset availability).

Borrowing Capacity and Availability

Borrowing capacity and availability comes from the Company's "revolving credit facilities," which are a combination of variable funding asset-backed securitization facilities, cash-flow-based revolving credit facilities, asset-based revolving credit facilities and a standalone \$400 million letter of credit facility (the "Letter of Credit Facility"). Creditors under each such asset-backed securitization facility and asset-based revolving credit facility have a claim on a specific pool of assets as collateral. The Company's ability to borrow under each such asset-backed securitization facility and asset-based revolving credit facility is a function of, among other things, the value of the assets in the relevant collateral pool. With respect to each such asset-backed securitization facility and asset-based revolving credit facility, the Company refers to the amount of debt it can borrow given a certain pool of assets as the borrowing base.

The Company refers to "Remaining Capacity" as the maximum principal amount of debt permitted to be outstanding under the respective facility (i.e., with respect to a variable funding asset-backed securitization facility or asset-based revolving credit facility, the amount of debt the Company could borrow assuming it possessed sufficient assets as collateral) less the principal amount of debt then-outstanding under such facility. With respect to a variable funding asset-backed securitization facility or asset-based revolving credit facility, the Company refers to "Availability Under Borrowing Base Limitation" as the lower of Remaining Capacity or the borrowing base less the principal amount of debt then-outstanding under such facility (i.e., the amount of debt that can be borrowed given the collateral possessed at such time). With respect to the Senior RCF and the Letter of Credit Facility, "Availability Under Borrowing Base Limitation" is the same as "Remaining Capacity" since borrowings under the Senior RCF and the Letter of Credit Facility are not subject to a borrowing base.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

The following facilities were available to the Company as of June 30, 2018, and are presented net of any outstanding letters of credit:

(In millions)	Remaining Capacity	Availability Under Borrowing Base Limitation
Non-Vehicle Debt		
Senior RCF	\$ 502	\$ 502
Letter of Credit Facility	—	—
Total Non-Vehicle Debt	502	502
Vehicle Debt		
U.S. Vehicle RCF	—	—
HVF II U.S. Vehicle Variable Funding Notes	607	—
HFLF Variable Funding Notes	434	6
European Revolving Credit Facility	96	—
European Securitization	41	—
Canadian Securitization	—	—
Australian Securitization	51	—
U.K. Financing Facility	—	—
New Zealand RCF	5	—
Total Vehicle Debt	1,234	6
Total	\$ 1,736	\$ 508

Letters of Credit

As of June 30, 2018, there were outstanding standby letters of credit totaling \$676 million. As disclosed above, the Company terminated letters of credit issued under the Senior RCF and reissued such letters of credit under the Letter of Credit Facility. Issued letters of credit primarily support the Company's insurance programs, vehicle rental concessions and leaseholds as well as to provide credit enhancement for its asset-backed securitization facilities. Of this amount, \$363 million was issued under the Senior RCF and \$302 million was issued under the Letter of Credit Facility. As of June 30, 2018, none of the issued letters of credit have been drawn upon.

Special Purpose Entities

Substantially all of the Company's revenue earning vehicles and certain related assets are owned by special purpose entities, or are encumbered in favor of the lenders under the various credit facilities, other secured financings and asset-backed securities programs. None of such assets (including the assets owned by Hertz Vehicle Financing II LP, Hertz Vehicle Financing LLC, Rental Car Finance LLC, DNRS II LLC, HFLF, Donlen Trust and various international subsidiaries that facilitate the Company's international securitizations) are available to satisfy the claims of general creditors.

The Company has a 25% ownership interest in International Fleet Financing No. 2 B.V. ("IFF No. 2"), a special purpose entity whose sole purpose is to provide commitments to lend in various currencies subject to borrowing bases comprised of revenue earning vehicles and related assets of certain of Hertz International, Ltd.'s subsidiaries. IFF No. 2 is a variable interest entity and the Company is the primary beneficiary, therefore, the assets, liabilities, and results of operations of IFF No. 2 are included in the Company's unaudited condensed consolidated financial statements. As of June 30, 2018 and December 31, 2017, IFF No. 2 had total assets of \$696 million and \$524 million, respectively, primarily comprised of loan receivables, and total liabilities of \$696 million and \$524 million, respectively, primarily comprised of debt and loan payables.

Covenant Compliance

The financial covenant provides that Hertz's consolidated first lien net leverage ratio, as defined in the credit agreements governing the Senior RCF and the Letter of Credit Facility, as of the last day of any fiscal quarter following and including

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

fiscal quarter ending December 31, 2017 (the "Covenant Leverage Ratio"), may not exceed a ratio of 3.00 to 1.00. As of June 30, 2018, Hertz was in compliance with the Covenant Leverage Ratio.

Note 7—Revenue

The Company recognizes two types of revenue; (i) revenue from contracts with customers, and (ii) lease revenue, which is generated through the fleet leasing operations of its Donlen subsidiary.

As disclosed in the Revenue from Contracts with Customers section of Note 2, "Basis of Presentation and Recently Issued Accounting Pronouncements" ("Note 2"), the Company adopted Topic 606 in accordance with the effective date on January 1, 2018. Note 2 includes disclosures regarding the Company's method of adoption and the impact on the Company's financial position, results of operations and cash flows. In the Leases section of Note 2, the Company discloses that it has concluded that revenue earned from vehicle rentals, and from other forms of rental related activities wherein an identified asset is transferred to the customer and the customer has the ability to control that asset, will be accounted for under Topic 842 upon its adoption. Until the Company adopts Topic 842, vehicle rental and rental related revenues are recognized in accordance with Topic 606.

The Company recognizes revenue net of any taxes or non-concession fees collected from customers on behalf of governmental authorities.

Revenue from Contracts with Customers

The Company operates at airport rental locations in the U.S. and internationally ("airport") and at off airport locations also in the U.S. and internationally ("off airport"). For the Company's airport company-operated rental locations, the Company has obtained concessions or similar leasing agreements or arrangements, granting it the right to conduct a vehicle rental business at the respective airport. The terms of an airport concession typically require the Company to pay the airport's operator concession fees based upon a specified percentage of the revenues it generates at the airport, subject to a minimum annual guarantee. The terms of the Company's concessions typically do not forbid it from seeking, and in a few instances actually require it to seek, reimbursement from customers for concession fees it pays; however, in certain jurisdictions the law limits or forbids the Company from doing so. Where the Company is required or permitted to seek such reimbursement, it is its general practice to do so. The Company's airport rental customers are typically airline travelers; whereas the Company's off airport rental customers include people who prefer to rent vehicles closer to their home or place of work for business or leisure purposes, as well as those needing to travel to or from airports. The Company's off airport customers also include people who have been referred by, or whose rental costs are being wholly or partially reimbursed by, insurance companies following accidents in which their vehicles were damaged, those expecting to lease vehicles that are not yet available from their leasing companies and replacement renters. In addition, the Company's off airport customers include drivers for transportation network companies ("TNC").

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

The following table presents revenues from contracts with customers by reportable segment and disaggregated by product/service and type of location and customer:

(In millions)	Three Months Ending June 30, 2018			
	U.S. Rental Car	International Rental Car	All Other Operations	Consolidated
Vehicle rental and rental related:				
Airport	\$ 1,142	\$ 332	\$ —	\$ 1,474
Off airport	453	219	—	672
Total vehicle rental and rental related	1,595	551	—	2,146
Other:				
Licensee revenue	8	38	—	46
Ancillary retail vehicle sales	25	—	—	25
Fleet management	—	—	10	10
Total other	33	38	10	81
Total revenue from contracts with customers	\$ 1,628	\$ 589	\$ 10	\$ 2,227

(In millions)	Six Months Ending June 30, 2018			
	U.S. Rental Car	International Rental Car	All Other Operations	Consolidated
Vehicle rental and rental related:				
Airport	\$ 2,124	\$ 583	\$ —	\$ 2,707
Off airport	865	404	—	1,269
Total vehicle rental and rental related	2,989	987	—	3,976
Other:				
Licensee revenue	14	70	—	84
Ancillary retail vehicle sales	51	—	—	51
Fleet management	—	—	22	22
Total other	65	70	22	157
Total revenue from contracts with customers	\$ 3,054	\$ 1,057	\$ 22	\$ 4,133

Vehicle Rental and Rental Related Revenues

The Company recognizes revenue from its vehicle rental operations when persuasive evidence of a contract exists, the performance obligations have been satisfied, the transaction price is fixed or determinable and collection is reasonably assured. Performance obligations associated with vehicle rental transactions are satisfied over the rental period, except for the portion associated with loyalty points, as further described below. Rental periods are short term in nature. Therefore, the Company has elected to apply the practical expedient which eliminates the requirement to disclose information about remaining performance obligations. Performance obligations associated with rental related activities, such as charges to the customer for the fueling of vehicles and value-added services such as loss damage waivers, insurance products, navigation units, supplemental equipment and other consumables, are also satisfied over the rental period. Revenue from charges that are passed through to the customer, such as gasoline, vehicle licensing and airport concession fees, is recorded on a gross basis with a corresponding charge to direct vehicle and operating

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

expense. Sales commissions paid to third parties are generally expensed when incurred due to the short-term nature of the related transaction on which the commission was earned and are recorded within selling, general and administrative expense. Payments are due from customers at the completion of the rental, except for customers with negotiated payment terms, generally net 30 days or less, which are invoiced and remain as accounts receivable until collected.

Loyalty Programs - The Company offers loyalty programs, primarily Hertz Gold Plus Rewards, wherein customers are eligible to earn loyalty points that are redeemable for free rental days or can be converted to loyalty points for redemption of products and services under loyalty programs of other companies. Each transaction that generates loyalty points results in the deferral of revenue equivalent to the retail value of the redemption of the loyalty points. The associated revenue is recognized when the customer redeems the loyalty points at some point in the future. The retail value of loyalty points is estimated based on the expected retail value of the future vehicle rental to be provided less an estimated amount representing loyalty points that are not expected to be redeemed ("breakage"). Breakage is estimated on a quarterly basis and includes significant assumptions such as historical breakage trends and internal Company forecasts. During the three and six months ended June 30, 2018, based on the net impact of loyalty points earned and redeemed by customers, the Company recognized \$1 million and \$4 million of revenue, respectively. As of June 30, 2018, the value of unredeemed loyalty points is \$261 million, which is recorded as a contract liability in accrued liabilities in the accompanying unaudited condensed consolidated balance sheet.

Customer Rebates - The Company has business customers that rent vehicles based on terms that have been negotiated through contracts with their employers, or other entities with which they are associated ("commercial contracts"), which can differ substantially from the terms on which the Company rents vehicles to the general public. Some of the commercial contracts contain provisions which allow for rebates to the entity based on achieving a specific rental volume threshold. Rebates are treated as variable consideration and are recognized as a reduction of revenue at the time of the rental based on the rebate expected to be earned by the entity.

Licensee Revenue

The Company has franchise agreements which allow an independent entity to rent their vehicles under the Company's brands, primarily Hertz, Dollar or Thrifty, for a fee ("franchise fee"). Franchise fees are earned over time for the duration of the franchise agreement and are typically based on the larger of a minimum payment or an amount representing a percentage of net sales of the franchised business. Franchise fees are recognized as earned and when collectability is reasonably assured. Franchise fees that relate to a future contract term, such as initial fees or renewal fees, are deferred and recognized over the term of the franchise agreement. The Company has elected to apply one of the practical expedients under Topic 606, and as such the value of unsatisfied performance obligations for sales-based royalty fees from franchisees is not disclosed.

Ancillary Retail Vehicle Sales Revenue

Ancillary retail vehicle sales represent revenues generated from the sale of warranty contracts, financing and title fees, and other ancillary services associated with vehicles disposed of at the Company's retail outlets. These revenues are recorded at the point in time when the Company sells the product or provides the service to the customer. These revenues exclude the sale price of the vehicle which is a component of the gain or loss on the disposition and is included in depreciation of revenue earning vehicles and lease charges, net.

Fleet Management Revenue

The Company's Donlen subsidiary generates revenue from various fleet management services, such as fuel purchasing and management, preventive maintenance, repair consultation, toll management and accident management. Fleet management revenue is recognized net of any fees collected from customers on behalf of third party service providers, as services are rendered.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

Contract Balances

The Company recognizes receivables and liabilities resulting from its contracts with customers. Contract receivables primarily consist of receivables from customers for vehicle rentals. Contract liabilities primarily consist of obligations to customers for prepaid vehicle rentals and related to the Company's points-based loyalty programs.

The contract liability balance as of June 30, 2018 is \$412 million and is included in accrued liabilities in the accompanying unaudited condensed consolidated balance sheet. The contract liability as of January 1, 2018, after giving effect to the adoption of Topic 606, was \$345 million and revenue recognized during the six months ended June 30, 2018 for such contract liabilities is \$96 million. The contract liability as of March 31, 2018 was \$388 million and revenue recognized during the three months ended June 30, 2018 for such contract liabilities is \$87 million.

Note 8—Income Tax (Provision) Benefit

The Company recognized the income tax effects of the tax reform legislation commonly referred to as the Tax Cuts and Jobs Act ("TCJA") in its audited consolidated financial statements included in the Company's 2017 Form 10-K in accordance with Staff Accounting Bulletin No. 118, which provides SEC staff guidance for the application of Topic 740, Income Taxes, in the reporting period in which the TCJA was signed into law. The guidance also provides for a measurement period of up to one year from the enactment date for the Company to complete the accounting for the U.S. tax law changes. As such, the Company's 2017 financial results reflected the provisional estimate of the income tax effects of the TCJA. No subsequent adjustments have been made to the amounts recorded as of December 31, 2017, which continue to represent a provisional estimate of the impact of TCJA. The estimate of the impact of TCJA is based on certain assumptions and the Company's current interpretation, and may change, as the Company receives additional clarification and implementation guidance and as the interpretation of the TCJA evolves over time.

The Company continues to analyze the impact of TCJA provisions effective January 1, 2018. The income tax provision for the three and six months ended June 30, 2018 incorporates the TCJA's changes to deductions for executive compensation and meals and entertainment. Other provisions include global intangible low-tax income ("GILTI"), base erosion anti-avoidance tax ("BEAT"), and foreign-derived intangible income ("FDII"). As of June 30, 2018, the Company estimates no short-to-medium term tax liability resulting from GILTI, BEAT, or FDII. These are estimates and are based on the Company's current interpretation of the TCJA. These assumptions and interpretations may change as additional clarification and implementation guidance are issued as the interpretation of the TCJA evolves over time. As such, the Company is still analyzing certain aspects of the Act and refining its estimate, which could potentially affect the measurement of deferred tax assets and liabilities or potentially give rise to new deferred tax amounts.

Hertz Global

The effective tax rate for the three months ended June 30, 2018 and 2017 is 27% and 36%, respectively. The effective tax rate for the six months ended June 30, 2018 and 2017 is 16% and 29%, respectively.

The Company recorded a tax benefit of \$23 million for the three months ended June 30, 2018, compared to \$87 million for the three months ended June 30, 2017. The lower effective income tax rate and related tax benefit are primarily due to the reduced corporate tax rate as a result of the TCJA, reduced corporate losses, and the composition of earnings by jurisdictions, partially offset by the release of the valuation allowance on U.S. federal capital losses.

The Company recorded a tax benefit of \$52 million for the six months ended June 30, 2018, compared to \$158 million for the six months ended June 30, 2017. The lower effective income tax rate and related tax benefit are primarily due to the reduced corporate tax rate as a result of the TCJA, reduced corporate losses, and the composition of earnings by jurisdictions, partially offset by the release of the valuation allowance on U.S. federal capital losses.

Hertz

The effective tax rate for the three months ended June 30, 2018 and 2017 is 27% and 35%, respectively. The effective tax rate for the six months ended June 30, 2018 and 2017 is 16% and 29%, respectively.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

The Company recorded a tax benefit of \$23 million for the three months ended June 30, 2018, compared to \$86 million for the three months ended June 30, 2017. The lower effective income tax rate and related tax benefit are primarily due to the reduced corporate tax rate as a result of the TCJA, reduced corporate losses, and the composition of earnings by jurisdictions, partially offset by the release of the valuation allowance on U.S. federal capital losses.

The Company recorded a tax benefit of \$51 million for the six months ended June 30, 2018, compared to \$157 million for the six months ended June 30, 2017. The lower effective income tax rate and related tax benefit are primarily due to the reduced corporate tax rate as a result of the TCJA, reduced corporate losses, and the composition of earnings by jurisdictions, partially offset by the release of the valuation allowance on U.S. federal capital losses.

Note 9—Earnings (Loss) Per Share - Hertz Global

Basic earnings (loss) per share has been computed based upon the weighted average number of common shares outstanding. Diluted earnings (loss) per share has been computed based upon the weighted average number of common shares outstanding plus the effect of all potentially dilutive common stock equivalents, except when the effect would be anti-dilutive.

The following table sets forth the computation of basic and diluted earnings (loss) per share:

(In millions, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Basic and diluted earnings (loss) per share:				
Numerator:				
Net income (loss), basic and diluted	\$ (63)	\$ (158)	\$ (265)	\$ (381)
Denominator:				
Basic weighted average common shares	84	83	83	83
Dilutive stock options, RSUs, PSUs and PSAs	—	—	—	—
Weighted average shares used to calculate diluted earnings per share	84	83	83	83
Antidilutive stock options, RSUs, PSUs and PSAs	3	3	3	3
Earnings (loss) per share:				
Basic earnings (loss) per share	\$ (0.75)	\$ (1.90)	\$ (3.19)	\$ (4.59)
Diluted earnings (loss) per share	\$ (0.75)	\$ (1.90)	\$ (3.19)	\$ (4.59)

Note 10—Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The fair value of cash, restricted cash, accounts receivable, accounts payable and accrued expenses, to the extent the underlying liability will be settled in cash, approximates the carrying values because of the short-term nature of these instruments.

Cash Equivalents, Restricted Cash Equivalents and Investments

The Company's cash equivalents and restricted cash equivalents primarily consist of investments in money market funds and time deposits. The Company determines the fair value of cash equivalents using a market approach based on quoted prices in active markets (Level 1 inputs).

Investments in equity securities that are measured at fair value on a recurring basis consist of marketable securities.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

The following table summarizes the ending balances of the Company's cash equivalents, restricted cash equivalents and investments:

(In millions)	June 30, 2018				December 31, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Money market funds and time deposits	\$ 485	\$ —	\$ —	\$ 485	\$ 634	\$ —	\$ —	\$ 634
Equity securities	41	—	—	41	—	—	—	—

Debt Obligations

The fair value of debt is estimated based on quoted market rates as well as borrowing rates currently available to the Company for loans with similar terms and average maturities (Level 2 inputs).

(In millions)	As of June 30, 2018		As of December 31, 2017	
	Nominal Unpaid Principal Balance	Aggregate Fair Value	Nominal Unpaid Principal Balance	Aggregate Fair Value
Non-vehicle Debt	\$ 4,469	\$ 4,154	\$ 4,476	\$ 4,438
Vehicle Debt	12,986	12,911	10,471	10,456
Total	\$ 17,455	\$ 17,065	\$ 14,947	\$ 14,894

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

In March 2017, as further described in Note 3, "Acquisitions and Divestitures," the Company determined it had an other than temporary loss in value of its equity method investment. In June 2017, as further described in Note 5, "Intangible Asset Impairment," the Company recorded impairment charges for the Dollar Thrifty tradename.

Note 11—Contingencies and Off-Balance Sheet Commitments

Legal Proceedings

Public Liability and Property Damage

The Company is currently a defendant in numerous actions and has received numerous claims on which actions have not yet been commenced for public liability and property damage arising from the operation of motor vehicles rented from the Company. The obligation for public liability and property damage on self-insured U.S. and international vehicles, as stated on the accompanying unaudited condensed consolidated balance sheets, represents an estimate for both reported accident claims not yet paid and claims incurred but not yet reported. The related liabilities are recorded on a non-discounted basis. Reserve requirements are based on rental volume and actuarial evaluations of historical accident claim experience and trends, as well as future projections of ultimate losses, expenses, premiums and administrative costs. As of June 30, 2018 and December 31, 2017, the Company's liability recorded for public liability and property damage matters is \$421 million and \$427 million, respectively. The Company believes that its analysis is based on the most relevant information available, combined with reasonable assumptions, and that the Company may prudently rely on this information to determine the estimated liability. The liability is subject to significant uncertainties. The adequacy of the liability reserve is regularly monitored based on evolving accident claim history and insurance related state legislation changes. If the Company's estimates change or if actual results differ from these assumptions, the amount of the recorded liability is adjusted to reflect these results.

Other Matters

From time to time the Company is a party to various legal proceedings, typically involving operational issues common to the vehicle rental business, including claims by employees and former employees, and governmental investigations. The Company has summarized below the most significant legal proceedings to which the Company was and/or is a

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

party to during the six months ended June 30, 2018 or the period after June 30, 2018, but before the filing of this Report on Form 10-Q.

In re Hertz Global Holdings, Inc. Securities Litigation - In November 2013, a purported shareholder class action, Pedro Ramirez, Jr. v. Hertz Global Holdings, Inc., et al., was commenced in the U.S. District Court for the District of New Jersey naming Old Hertz Holdings (as defined in the Company's 2017 Form 10-K) and certain of its officers as defendants and alleging violations of the federal securities laws. The complaint alleged that Old Hertz Holdings made material misrepresentations and/or omissions of material fact in its public disclosures during the period from February 25, 2013 through November 4, 2013, in violation of Section 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder. The complaint sought an unspecified amount of monetary damages on behalf of the purported class and an award of costs and expenses, including counsel fees and expert fees. In June 2014, Old Hertz Holdings responded to the amended complaint by filing a motion to dismiss. After a hearing in October 2014, the court granted Old Hertz Holdings' motion to dismiss the complaint. The dismissal was without prejudice and plaintiff was granted leave to file a second amended complaint within 30 days of the order. In November 2014, plaintiff filed a second amended complaint which shortened the putative class period such that it was not alleged to have commenced until May 18, 2013 and made allegations that were not substantively very different than the allegations in the prior complaint. In early 2015, this case was assigned to a new federal judge in the District of New Jersey, and Old Hertz Holdings responded to the second amended complaint by filing another motion to dismiss. On July 22, 2015, the court granted Old Hertz Holdings' motion to dismiss without prejudice and ordered that plaintiff could file a third amended complaint on or before August 22, 2015. On August 21, 2015, plaintiff filed a third amended complaint. The third amended complaint included additional allegations, named additional current and former officers as defendants and expanded the putative class period such that it was alleged to span from February 14, 2013 to July 16, 2015. Plaintiffs filed a fourth amended complaint to add a new plaintiff on March 1, 2016. Old Hertz Holdings and the individual defendants moved to dismiss the fourth amended complaint in its entirety with prejudice on March 24, 2016, and plaintiff filed its opposition to same. The plaintiffs filed their Initial Brief in November 2017 and Old Hertz Holdings - joined by two of the individual defendants along with a separate brief by one of the individual defendants - filed Opposition Briefs in January 2018. The plaintiffs' Reply Brief was thereafter filed in February of 2018. Oral arguments were requested and were held on June 12, 2018.

The Company intends to assert that it has meritorious defenses in the foregoing matters and the Company intends to vigorously defend itself.

Governmental Investigations - In June 2014, the Company was advised by the staff of the New York Regional Office of the Securities and Exchange Commission ("SEC") that it is investigating the events disclosed in certain of the Company's filings with the SEC. In addition, starting in June 2016 the Company has had communications with the U.S. Attorney's Office for the District of New Jersey regarding the same or similar events. The investigations and communications generally involve the restatements included in the Old Hertz Holdings Form 10-K for the year ended December 31, 2014, as filed with the SEC on July 16, 2015 and related accounting for prior periods. The Company has and intends to continue to cooperate with all requests related to the foregoing. The Company is engaged in discussions with the enforcement staff of the New York office of the SEC ("Staff") to resolve certain matters under investigation. Any proposed settlement that might result from discussions with the Staff would be subject to additional reviews and approvals, including acceptance and authorization by the SEC. The Company cannot predict the ultimate timing or the final terms of a possible settlement, including any settlement amount. The Company has established an estimated range of probable loss, but given the uncertainties associated with the matters under discussion, the Company is unable to determine a best estimate within the range of loss. Therefore, during the three months ended June 30, 2018, the Company accrued a loss contingency equal to the minimum amount of the range of loss based on current circumstances. It is possible that an adverse outcome with respect to the restatement investigations and the other issues discussed herein could result in losses that exceed the accrual or the estimated range and could be material to the Company's consolidated financial condition, results of operations or cash flows in any particular reporting period.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

Additionally, the Company previously identified certain activities in Brazil that raised issues under the Foreign Corrupt Practices Act (the "FCPA") and other federal and local laws, which the Company self-reported to appropriate government entities. The matters associated with the FCPA and other federal matters have been resolved without further action by the applicable government entities. The Company is continuing its cooperation with respect to matters under local Brazilian laws. The Company had previously accrued a loss contingency with respect to the Brazil-related matters that was not material. Because of the resolution of these matters here in the U.S., during the three months ended June 30, 2018, the Company decreased the loss contingency accrual. However, it is possible that an adverse outcome with respect to the ongoing matters in Brazil could result in losses that could be material to the Company's consolidated financial condition, results of operations or cash flows in any particular reporting period.

French Road Tax - The French Tax Authority has challenged the historic practice of several vehicle rental companies, including Hertz France, of registering vehicles in jurisdictions where it is established and where the road tax payable with respect to those vehicles is lower than the road tax payable in the jurisdictions where the vehicles will primarily be used. In respect of a period in 2005, the Company has unsuccessfully appealed the French Tax assessment to the highest Administrative court in France. In respect of a period from 2003 to 2005, following an adverse judgment, the Company appealed the French Tax Authority's assessment to the Civil Court of Appeal. In March 2017, the Company received an adverse judgment in the 2003 -2005 road tax appeal from the Civil Court of Appeal. The Company appealed this decision to the Supreme Civil Court in May 2017. In December 2017, the French Tax Authority issued an assessment for registration tax for the year 2014 and the Company submitted a rebuttal to the French Tax Authority in February 2018. The Company began reserving for this matter in 2015 and assesses the reserve on a quarterly basis as part of the financial statements close process.

In addition to the matters described above, the Company maintains an internal compliance program through which it from time to time identifies other potential violations of laws and regulations applicable to the Company. When the Company identifies such matters, the Company conducts an internal investigation and otherwise cooperates with governmental authorities, as appropriate.

The Company has established reserves for matters where the Company believes that losses are probable and can be reasonably estimated. Other than the aggregate reserve established for claims for public liability and property damage, none of those reserves are material. For matters, including certain of those described above, where the Company has not established a reserve, the ultimate outcome or resolution cannot be predicted at this time, or the amount of ultimate loss, if any, cannot be reasonably estimated. These matters are subject to many uncertainties and the outcome of the individual litigated matters is not predictable with assurance. It is possible that certain of the actions, claims, inquiries or proceedings, including those discussed above, could be decided unfavorably to the Company or any of its subsidiaries involved. Accordingly, it is possible that an adverse outcome from such a proceeding could exceed the amount accrued in an amount that could be material to the accompanying consolidated financial condition, results of operations or cash flows in any particular reporting period.

Indemnification Obligations

In the ordinary course of business, the Company has executed contracts involving indemnification obligations customary in the relevant industry and indemnifications specific to a transaction such as the sale of a business. These indemnification obligations might include claims relating to the following: environmental matters; intellectual property rights; governmental regulations and employment-related matters; customer, supplier and other commercial contractual relationships; and financial matters. Specifically, the Company has indemnified various parties for the costs associated with remediating numerous hazardous substance storage, recycling or disposal sites in many states and, in some instances, for natural resource damages. The amount of any such expenses or related natural resource damages for which the Company may be held responsible could be substantial. In addition, Hertz entered into customary indemnification agreements with Hertz Holdings and certain of the Company's stockholders and their affiliates pursuant to which Hertz Holdings and Hertz will indemnify those entities and their respective affiliates, directors, officers, partners, members, employees, agents, representatives and controlling persons, against certain liabilities arising out of performance of a consulting agreement with Hertz Holdings and each of such entities and certain other claims and

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

liabilities, including liabilities arising out of financing arrangements or securities offerings. The Company has entered into customary indemnification agreements with each of its directors and certain of its officers. Performance under these indemnification obligations would generally be triggered by a breach of terms of the contract or by a third-party claim. In connection with the Spin-Off, the Company executed an agreement with Herc Holdings that contains mutual indemnification clauses and a customary indemnification provision with respect to liability arising out of or resulting from assumed legal matters. The Company regularly evaluates the probability of having to incur costs associated with these indemnification obligations and have accrued for expected losses that are probable and estimable.

Note 12—Related Party Transactions

Agreements with the Icahn Group

In the normal course of business, the Company purchases goods and services and leases property from entities controlled by Carl C. Icahn and his affiliates, including The Pep Boys - Manny, Moe & Jack. During the three months ended June 30, 2018 and 2017, the Company purchased approximately \$11 million and \$2 million, respectively, worth of goods and services from these related parties. During the six months ended June 30, 2018 and 2017, the Company purchased approximately \$17 million and \$4 million, respectively, worth of goods and services from these related parties.

In May 2018, the Company sold approximately \$36 million of marketable securities to the Icahn Group at the then current market price of such securities.

Transactions between Hertz Holdings and Hertz

In June 2017, Hertz entered into a master loan agreement with Hertz Holdings for a facility size of \$425 million with an expiration in June 2018 (the "2017 Master Loan"). The interest rate is based on the U.S. Dollar LIBOR rate plus a margin.

In June 2018, upon expiration of the 2017 Master Loan, Hertz entered into a new master loan agreement with Hertz Holdings for a facility size of \$425 million with an expiration in June 2019 (the "2018 Master Loan") where amounts outstanding under the 2017 Master Loan were transferred to the 2018 Master Loan. The interest rate is based on the U.S. Dollar LIBOR rate plus a margin. As of June 30, 2018 and December 31, 2017, there was \$113 million and \$107 million, respectively, outstanding under the 2018 Master Loan representing advances and any accrued but unpaid interest.

As of June 30, 2018 and December 31, 2017, Hertz has a due to affiliate in the amount of \$65 million, which represents its tax-related liability to Hertz Holdings.

The above amounts are included in equity in the accompanying unaudited condensed consolidated balance sheets of Hertz.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

Other Relationships

In January 2018, Hertz entered into a Master Motor Vehicle Lease and Management Agreement (the "767 Lease Agreement") pursuant to which Hertz granted 767 Auto Leasing LLC ("767"), an entity affiliated with the Icahn Group, the option to acquire certain vehicles from Hertz at rates aligned with the rates at which Hertz sells vehicles to third parties. Hertz will lease the vehicles, purchased by 767 under the 767 Lease Agreement or from third parties, under a mutually developed fleet plan and Hertz will manage, service, repair, sell and maintain those leased vehicles on behalf of 767. Hertz will rent the leased vehicles to drivers of TNC, including Lyft drivers, from rental counters within locations leased or owned by affiliates of 767, including locations operated under a master lease agreement with The Pep Boys - Manny, Joe & Jack. The 767 Lease Agreement has an initial term of 18 months and is subject to automatic six-month renewals thereafter, unless terminated by either party (with or without cause) prior to the start of any such six-month renewal. 767's payment obligations under the 767 Lease Agreement are guaranteed by American Entertainment Properties Corp., an entity affiliated with Mr. Icahn ("American"). American contributed \$5 million to 767 in February 2018 and \$5 million in May 2018. 767 commenced business in late-March 2018, and is still in the early stages of its operations. During the three and six months ended June 30, 2018, the Company sold 586 and 592 vehicles, respectively, to 767 for approximately \$7 million with substantially all of the sales occurring in the three months ended June 30, 2018.

The Company is entitled to 25% of the profit from the rental of the leased vehicles, as specified in the 767 Lease Agreement, which is variable and based primarily on the rental revenue, less certain costs, such as depreciation, licensing and maintenance expenses. The Company has determined that it is the primary beneficiary of 767 due to its power to direct the activities of 767 that most significantly impact 767's economic performance and the Company's obligation to absorb 25% of 767's gains/losses. Accordingly, 767 is consolidated by the Company as a VIE.

Note 13—Segment Information

The Company has identified three reportable segments, which are organized based on the products and services provided by its operating segments and the geographic areas in which its operating segments conduct business, as follows:

- U.S. Rental Car ("U.S. RAC") - rental of vehicles (cars, crossovers and light trucks), as well as sales of value-added services, in the U.S. and consists of the Company's U.S. operating segment;
- International Rental Car ("International RAC") - rental and leasing of vehicles (cars, vans, crossovers and light trucks), as well as sales of value-added services, internationally and consists of the Company's Europe and Other International operating segments, which are aggregated into a reportable segment based primarily upon similar economic characteristics, products and services, customers, delivery methods and general regulatory environments;
- All Other Operations - primarily consists of the Company's Donlen business, which provides vehicle leasing and fleet management services, together with other business activities which represent less than 2% of revenues and expenses of the segment.

In addition to the above reportable segments, the Company has corporate operations ("Corporate") which includes general corporate assets and expenses and certain interest expense (including net interest on non-vehicle debt).

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

The following tables provide significant statement of operations and balance sheet information by segment for each of Hertz Global and Hertz, as well as adjusted pre-tax income (loss), the segment measure of profitability.

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenues				
U.S. Rental Car	\$ 1,628	\$ 1,519	\$ 3,054	\$ 2,872
International Rental Car	589	543	1,057	955
All Other Operations	172	162	341	313
Total Hertz Global and Hertz	\$ 2,389	\$ 2,224	\$ 4,452	\$ 4,140
Depreciation of revenue earning vehicles and lease charges, net				
U.S. Rental Car	\$ 447	\$ 524	\$ 881	\$ 1,023
International Rental Car	112	100	214	185
All Other Operations	128	119	253	236
Total Hertz Global and Hertz	\$ 687	\$ 743	\$ 1,348	\$ 1,444
Adjusted pre-tax income (loss)^(a)				
U.S. Rental Car	\$ 24	\$ (37)	\$ (24)	\$ (152)
International Rental Car	74	56	69	52
All Other Operations	24	19	47	39
Corporate	(143)	(120)	(289)	(234)
Total Hertz Global	(21)	(82)	(197)	(295)
Corporate - Hertz	2	1	3	2
Total Hertz	\$ (19)	\$ (81)	\$ (194)	\$ (293)

(In millions)	June 30, 2018	December 31, 2017
Total Assets		
U.S. Rental Car	\$ 14,847	\$ 12,785
International Rental Car	4,973	3,971
All Other Operations	1,759	1,700
Corporate	1,192	1,602
Total Hertz Global and Hertz	\$ 22,771	\$ 20,058

(a) Adjusted pre-tax income (loss), the Company's segment profitability measure, is calculated as income (loss) before income taxes plus non-cash acquisition accounting charges, debt-related charges relating to the amortization and write-off of debt financing costs and debt discounts and premiums, goodwill, intangible and tangible asset impairments and write downs, information technology and finance transformation costs and certain other miscellaneous or non-recurring items.

Reconciliations of adjusted pre-tax income (loss) by segment to consolidated amounts are summarized below.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

Hertz Global

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Adjusted pre-tax income (loss):				
U.S. Rental Car	\$ 24	\$ (37)	\$ (24)	\$ (152)
International Rental Car	74	56	69	52
All Other Operations	24	19	47	39
Total reportable segments	122	38	92	(61)
Corporate ⁽¹⁾	(143)	(120)	(289)	(234)
Adjusted pre-tax income (loss)	(21)	(82)	(197)	(295)
Adjustments:				
Acquisition accounting ⁽²⁾	(15)	(16)	(30)	(31)
Debt-related charges ⁽³⁾	(13)	(10)	(26)	(21)
Loss on extinguishment of debt ⁽⁴⁾	(20)	(8)	(22)	(8)
Restructuring and restructuring related charges ⁽⁵⁾	(10)	(5)	(13)	(13)
Impairment charges and asset write-downs ⁽⁶⁾	—	(86)	—	(116)
Information technology and finance transformation costs ⁽⁷⁾	(29)	(20)	(51)	(39)
Other ⁽⁸⁾	22	(18)	22	(16)
Income (loss) before income taxes	\$ (86)	\$ (245)	\$ (317)	\$ (539)

Hertz

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Adjusted pre-tax income (loss):				
U.S. Rental Car	\$ 24	\$ (37)	\$ (24)	\$ (152)
International Rental Car	74	56	69	52
All Other Operations	24	19	47	39
Total reportable segments	122	38	92	(61)
Corporate ⁽¹⁾	(141)	(119)	(286)	(232)
Adjusted pre-tax income (loss)	(19)	(81)	(194)	(293)
Adjustments:				
Acquisition accounting ⁽²⁾	(15)	(16)	(30)	(31)
Debt-related charges ⁽³⁾	(13)	(10)	(26)	(21)
Loss on extinguishment of debt ⁽⁴⁾	(20)	(8)	(22)	(8)
Restructuring and restructuring related charges ⁽⁵⁾	(10)	(5)	(13)	(13)
Impairment charges and asset write-downs ⁽⁶⁾	—	(86)	—	(116)
Information technology and finance transformation costs ⁽⁷⁾	(29)	(20)	(51)	(39)
Other ⁽⁸⁾	22	(18)	22	(16)
Income (loss) before income taxes	\$ (84)	\$ (244)	\$ (314)	\$ (537)

(1) Represents general corporate expenses, non-vehicle interest expense, as well as other business activities.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

- (2) Represents incremental expense associated with amortization of other intangible assets and depreciation of property and equipment relating to acquisition accounting.
- (3) Primarily represents debt-related charges relating to the amortization of deferred financing costs and debt discounts and premiums.
- (4) In 2018, primarily represents \$20 million of early redemption premium and write-off of deferred financing costs associated with the full redemption of the 4.375% European Vehicle Senior Notes due January 2019 in April 2018. In 2017, represents \$6 million of early redemption premium and write-off of deferred financing costs associated with the redemption of certain notes and a \$2 million write-off of deferred financing costs associated with the termination of commitments under the Senior RCF.
- (5) Represents charges incurred under restructuring actions as defined in U.S. GAAP, excluding impairments and asset write-downs, which are shown separately in the table. Also includes restructuring related charges such as incremental costs incurred directly supporting business transformation initiatives. Such costs include transition costs incurred in connection with business process outsourcing arrangements and incremental costs incurred to facilitate business process re-engineering initiatives that involve significant organization redesign and extensive operational process changes. Also includes consulting costs, legal fees and other expenses related to the previously disclosed accounting review and investigation.
- (6) In 2017, represents a second quarter \$86 million impairment of the Dollar Thrifty tradename and a first quarter impairment of \$30 million related to an equity method investment.
- (7) Represents costs associated with the Company's information technology and finance transformation programs, both of which are multi-year initiatives to upgrade and modernize the Company's systems and processes.
- (8) Represents miscellaneous or non-recurring items. In 2018, includes a \$17 million gain on marketable securities and a \$6 million legal settlement received in the second quarter related to an oil spill in the Gulf of Mexico in 2010. In 2017, includes first and second quarter adjustments, as applicable, to the carrying value of the Company's previous Brazil operations and second quarter charges of \$6 million for labor-related matters and \$5 million relating to PLPD as a result of a terrorist event.

Note 14—Guarantor and Non-Guarantor Condensed Consolidating Financial Information - Hertz

The following condensed consolidating financial information presents the Condensed Consolidating Balance Sheets as of June 30, 2018 and December 31, 2017, the Condensed Consolidating Statements of Operations and Comprehensive Income (Loss) for the three and six months ended June 30, 2018 and 2017 and the Statements of Cash Flows for the six months ended June 30, 2018 and 2017 of (a) The Hertz Corporation, ("Parent"); (b) the Parent's subsidiaries that guarantee the Senior Notes issued by the Parent ("Guarantor Subsidiaries"); (c) the Parent's subsidiaries that do not guarantee the Senior Notes issued by the Parent ("Non-Guarantor Subsidiaries"); (d) elimination entries necessary to consolidate the Parent with the Guarantor Subsidiaries and Non-Guarantor Subsidiaries ("Eliminations"); and of (e) Hertz on a consolidated basis.

Investments in subsidiaries are accounted for using the equity method for purposes of the consolidating presentation. The principal elimination entries relate to investments in subsidiaries and intercompany balances and transactions. The Guarantor Subsidiaries are 100% owned by the Parent and all guarantees are full and unconditional and joint and several. Additionally, substantially all of the assets of the Guarantor Subsidiaries are pledged under the Senior Facilities and Senior Second Priority Secured Notes, and consequently will not be available to satisfy the claims of Hertz's general creditors. In lieu of providing separate unaudited financial statements for the Guarantor Subsidiaries, Hertz has included the accompanying condensed consolidating financial statements based on Rule 3-10 of the SEC's Regulation S-X. Management of Hertz does not believe that separate financial statements of the Guarantor Subsidiaries are material to Hertz's investors; therefore, separate financial statements and other disclosures concerning the Guarantor Subsidiaries are not presented.

During the preparation of the condensed consolidating financial information of The Hertz Corporation and Subsidiaries as of and for the year ended December 31, 2017, it was determined that there were classification errors within the investing section of the statements of cash flows that resulted in overstatement of capital contributions to subsidiaries and return of capital from subsidiaries for the Parent and classification errors within the financing section of the statements of cash flows that resulted in overstatement of capital contributions received from parent and payment of dividends and returns of capital for the Non-Guarantor Subsidiaries. The overstatement was \$159 million for the six months ended June 30, 2017. The errors, which the Company has determined are not material to this disclosure, had no impact to cash from investing activities for the Parent or cash from financing activities of the Non-Guarantor Subsidiaries, and had no impact to any cash flows of the Guarantor Subsidiaries. These errors are eliminated in consolidation and therefore have no impact on the Company's unaudited condensed consolidated financial condition, results of operations or cash flows. The Company has revised the Condensed Consolidating Statements of Cash Flows for the Parent, Non-Guarantor Subsidiaries and Eliminations for the six months ended June 30, 2017 to correct for these errors.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

THE HERTZ CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEET
June 30, 2018
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
ASSETS					
Cash and cash equivalents	\$ 393	\$ 6	\$ 286	\$ —	\$ 685
Restricted cash and cash equivalents	71	9	156	—	236
Total cash, cash equivalents, restricted cash and restricted cash equivalents	464	15	442	—	921
Receivables, net of allowance	468	163	795	—	1,426
Due from affiliates	3,565	5,070	8,852	(17,487)	—
Prepaid expenses and other assets	4,367	40	301	(3,786)	922
Revenue earning vehicles, net	402	2	14,013	—	14,417
Property and equipment, net	606	63	133	—	802
Investment in subsidiaries, net	7,767	1,298	—	(9,065)	—
Other intangible assets, net	128	3,065	7	—	3,200
Goodwill	102	943	38	—	1,083
Total assets	\$ 17,869	\$ 10,659	\$ 24,581	\$ (30,338)	\$ 22,771
LIABILITIES AND STOCKHOLDER'S EQUITY					
Due to affiliates	\$ 10,843	\$ 2,328	\$ 4,316	\$ (17,487)	\$ —
Accounts payable	466	115	910	—	1,491
Accrued liabilities	685	69	404	—	1,158
Accrued taxes, net	76	18	2,466	(2,398)	162
Debt	4,563	—	12,801	—	17,364
Public liability and property damage	178	41	202	—	421
Deferred income taxes, net	—	1,485	1,010	(1,388)	1,107
Total liabilities	16,811	4,056	22,109	(21,273)	21,703
Stockholder's equity:					
Total stockholder's equity attributable to Hertz	1,058	6,603	2,462	(9,065)	1,058
Non-controlling interest	—	—	10	—	10
Total stockholder's equity	1,058	6,603	2,472	(9,065)	1,068
Total liabilities and stockholder's equity	\$ 17,869	\$ 10,659	\$ 24,581	\$ (30,338)	\$ 22,771

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

THE HERTZ CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEET
December 31, 2017
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
ASSETS					
Cash and cash equivalents	\$ 686	\$ 9	\$ 377	\$ —	\$ 1,072
Restricted cash and cash equivalents	225	7	200	—	432
Total cash, cash equivalents, restricted cash and restricted cash equivalents	911	16	577	—	1,504
Receivables, net of allowance	366	167	832	—	1,365
Due from affiliates	3,373	4,567	8,794	(16,734)	—
Prepaid expenses and other assets	3,747	37	302	(3,399)	687
Revenue earning vehicles, net	352	2	10,982	—	11,336
Property and equipment, net	639	61	140	—	840
Investment in subsidiaries, net	7,966	1,265	—	(9,231)	—
Other intangible assets, net	141	3,091	10	—	3,242
Goodwill	102	944	38	—	1,084
Total assets	<u>\$ 17,597</u>	<u>\$ 10,150</u>	<u>\$ 21,675</u>	<u>\$ (29,364)</u>	<u>\$ 20,058</u>
LIABILITIES AND STOCKHOLDER'S EQUITY					
Due to affiliates	\$ 10,368	\$ 2,156	\$ 4,210	\$ (16,734)	\$ —
Accounts payable	375	92	479	—	946
Accrued liabilities	473	73	374	—	920
Accrued taxes, net	77	21	2,235	(2,173)	160
Debt	4,619	—	10,246	—	14,865
Public liability and property damage	165	37	225	—	427
Deferred income taxes, net	—	1,451	995	(1,226)	1,220
Total liabilities	<u>16,077</u>	<u>3,830</u>	<u>18,764</u>	<u>(20,133)</u>	<u>18,538</u>
Stockholder's equity:					
Total stockholder's equity	1,520	6,320	2,911	(9,231)	1,520
Total liabilities and stockholder's equity	<u>\$ 17,597</u>	<u>\$ 10,150</u>	<u>\$ 21,675</u>	<u>\$ (29,364)</u>	<u>\$ 20,058</u>

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

THE HERTZ CORPORATION
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Three Months Ended June 30, 2018
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
Total revenues	\$ 1,193	\$ 368	\$ 2,129	\$ (1,301)	\$ 2,389
Expenses:					
Direct vehicle and operating	839	182	328	—	1,349
Depreciation of revenue earning vehicles and lease charges, net	1,220	98	670	(1,301)	687
Selling, general and administrative	179	16	70	—	265
Interest (income) expense, net	100	(37)	135	—	198
Other (income) expense, net	(25)	—	(1)	—	(26)
Total expenses	2,313	259	1,202	(1,301)	2,473
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries	(1,120)	109	927	—	(84)
Income tax (provision) benefit	235	(21)	(191)	—	23
Equity in earnings (losses) of subsidiaries, net of tax	824	34	—	(858)	—
Net income (loss)	(61)	122	736	(858)	(61)
Other comprehensive income (loss), net of tax	(14)	(3)	(14)	17	(14)
Comprehensive income (loss)	\$ (75)	\$ 119	\$ 722	\$ (841)	\$ (75)

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

THE HERTZ CORPORATION
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Three Months Ended June 30, 2017
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
Total revenues	\$ 1,170	\$ 354	\$ 1,871	\$ (1,171)	\$ 2,224
Expenses:					
Direct vehicle and operating	741	181	333	—	1,255
Depreciation of revenue earning vehicles and lease charges, net	1,024	113	714	(1,108)	743
Selling, general and administrative	156	8	59	—	223
Interest (income) expense, net	101	(25)	81	—	157
Intangible asset impairments	—	86	—	—	86
Other (income) expense, net	—	—	4	—	4
Total expenses	2,022	363	1,191	(1,108)	2,468
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries	(852)	(9)	680	(63)	(244)
Income tax (provision) benefit	358	1	(273)	—	86
Equity in earnings (losses) of subsidiaries, net of tax	336	30	—	(366)	—
Net income (loss)	(158)	22	407	(429)	(158)
Other comprehensive income (loss), net of tax	(7)	3	(8)	5	(7)
Comprehensive income (loss)	\$ (165)	\$ 25	\$ 399	\$ (424)	\$ (165)

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

THE HERTZ CORPORATION
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Six Months Ended June 30, 2018
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
Total revenues	\$ 2,249	\$ 687	\$ 3,618	\$ (2,102)	\$ 4,452
Expenses:					
Direct vehicle and operating	1,590	354	641	—	2,585
Depreciation of revenue earning vehicles and lease charges, net	1,985	182	1,283	(2,102)	1,348
Selling, general and administrative	340	28	130	—	498
Interest (income) expense, net	204	(70)	230	—	364
Intangible asset impairments	—	—	—	—	—
Other (income) expense, net	(27)	—	(2)	—	(29)
Total expenses	4,092	494	2,282	(2,102)	4,766
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries	(1,843)	193	1,336	—	(314)
Income tax (provision) benefit	356	(35)	(270)	—	51
Equity in earnings (losses) of subsidiaries, net of tax	1,224	58	—	(1,282)	—
Net income (loss)	(263)	216	1,066	(1,282)	(263)
Other comprehensive income (loss), net of tax	(17)	(5)	(17)	22	(17)
Comprehensive income (loss)	\$ (280)	\$ 211	\$ 1,049	\$ (1,260)	\$ (280)

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

THE HERTZ CORPORATION
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Six Months Ended June 30, 2017
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
Total revenues	\$ 2,220	\$ 661	\$ 3,248	\$ (1,989)	\$ 4,140
Expenses:					
Direct vehicle and operating	1,429	350	608	—	2,387
Depreciation of revenue earning vehicles and lease charges, net	1,761	215	1,335	(1,867)	1,444
Selling, general and administrative	306	19	117	—	442
Interest (income) expense, net	183	(47)	151	—	287
Intangible asset impairments	—	86	—	—	86
Other (income) expense, net	33	—	(2)	—	31
Total expenses	3,712	623	2,209	(1,867)	4,677
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries	(1,492)	38	1,039	(122)	(537)
Income tax (provision) benefit	572	(14)	(401)	—	157
Equity in earnings (losses) of subsidiaries, net of tax	540	62	—	(602)	—
Net income (loss)	(380)	86	638	(724)	(380)
Other comprehensive income (loss), net of tax	6	3	4	(7)	6
Comprehensive income (loss)	\$ (374)	\$ 89	\$ 642	\$ (731)	\$ (374)

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

THE HERTZ CORPORATION
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Six Months Ended June 30, 2018
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
Net cash provided by (used in) operating activities	\$ (34)	\$ 5	\$ 2,093	\$ (1,119)	\$ 945
Cash flows from investing activities:					
Revenue earning vehicles expenditures	(213)	—	(7,397)	—	(7,610)
Proceeds from disposal of revenue earning vehicles	96	—	3,558	—	3,654
Capital asset expenditures, non-vehicle	(54)	(6)	(20)	—	(80)
Proceeds from disposal of property and other equipment	3	—	5	—	8
Purchases of marketable securities	(60)	—	(1)	—	(61)
Sales of marketable securities	36	—	—	—	36
Other	—	—	(2)	—	(2)
Capital contributions to subsidiaries	(1,978)	—	—	1,978	—
Return of capital from subsidiaries	1,900	—	—	(1,900)	—
Loan to Parent/Guarantor from Non-Guarantor	—	—	76	(76)	—
Net cash provided by (used in) investing activities	(270)	(6)	(3,781)	2	(4,055)
Cash flows from financing activities:					
Proceeds from issuance of vehicle debt	1,172	—	8,242	—	9,414
Repayments of vehicle debt	(1,226)	—	(5,603)	—	(6,829)
Proceeds from issuance of non-vehicle debt	187	—	—	—	187
Repayments of non-vehicle debt	(194)	—	—	—	(194)
Payment of financing costs	(1)	—	(26)	—	(27)
Early redemption premium payment	—	—	(19)	—	(19)
Advances to Hertz Holdings	(6)	—	—	—	(6)
Other	1	—	10	—	11
Capital contributions received from parent	—	—	1,978	(1,978)	—
Payment of dividends and return of capital	—	—	(3,019)	3,019	—
Loan to Parent/Guarantor from Non-Guarantor	(76)	—	—	76	—
Net cash provided by (used in) financing activities	(143)	—	1,563	1,117	2,537
Effect of foreign currency exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	—	—	(10)	—	(10)
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents during the period	(447)	(1)	(135)	—	(583)
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	911	16	577	—	1,504
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	\$ 464	\$ 15	\$ 442	\$ —	\$ 921

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

THE HERTZ CORPORATION
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Six Months Ended June 30, 2017
(In millions)

	Parent (The Hertz Corporation)	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	The Hertz Corporation & Subsidiaries
Net cash provided by (used in) operating activities	\$ (396)	\$ 15	\$ 2,168	\$ (822)	\$ 965
Cash flows from investing activities:					
Revenue earning vehicles expenditures	(171)	(5)	(6,533)	—	(6,709)
Proceeds from disposal of revenue earning vehicles	91	—	3,744	—	3,835
Capital asset expenditures, non-vehicle	(56)	(5)	(23)	—	(84)
Proceeds from disposal of property and other equipment	6	—	5	—	11
Sales of marketable securities	—	—	9	—	9
Other	—	—	(2)	—	(2)
Capital contributions to subsidiaries	(1,260)	—	—	1,260	—
Return of capital from subsidiaries	1,739	—	—	(1,739)	—
Loan to Parent/Guarantor from Non-Guarantor	—	—	431	(431)	—
Net cash provided by (used in) investing activities	349	(10)	(2,369)	(910)	(2,940)
Cash flows from financing activities:					
Proceeds from issuance of vehicle debt	631	—	4,397	—	5,028
Repayments of vehicle debt	(657)	—	(3,008)	—	(3,665)
Proceeds from issuance of non-vehicle debt	2,100	—	—	—	2,100
Repayments of non-vehicle debt	(354)	—	—	—	(354)
Payment of financing costs	(16)	(4)	(14)	—	(34)
Advances to Hertz Holdings	(3)	—	—	—	(3)
Early redemption premium payment	(5)	—	—	—	(5)
Capital contributions received from parent	—	—	1,260	(1,260)	—
Payment of dividends and return of capital	—	—	(2,561)	2,561	—
Loan to Parent/Guarantor from Non-Guarantor	(431)	—	—	431	—
Net cash provided by (used in) financing activities	1,265	(4)	74	1,732	3,067
Effect of foreign currency exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	—	—	17	—	17
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents during the period	1,218	1	(110)	—	1,109
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	511	17	566	—	1,094
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	\$ 1,729	\$ 18	\$ 456	\$ —	\$ 2,203

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Hertz Global Holdings, Inc. (together with its consolidated subsidiaries and variable interest entities, "Hertz Global") is a holding company and its principal, wholly-owned subsidiary is The Hertz Corporation (together with its consolidated subsidiaries and variable interest entities, "Hertz"). As Hertz Global consolidates Hertz for financial statement purposes, disclosures that relate to activities of Hertz also apply to Hertz Global, unless otherwise noted. Hertz comprises approximately the entire balance of Hertz Global's assets, liabilities and operating cash flows. In addition, Hertz's operating revenues and operating expenses comprise nearly 100% of Hertz Global's revenues and operating expenses. As such, Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") that follows for Hertz also applies to Hertz Global in all material respects and differences between the operations and results of Hertz and Hertz Global are separately disclosed and explained. We sometimes use the words "we," "our," "us," and the "Company" in this MD&A for disclosures that relate to all of Hertz and Hertz Global.

Management's discussion and analysis ("MD&A") should be read in conjunction with the MD&A presented in our 2017 Form 10-K and the unaudited condensed consolidated financial statements and accompanying notes included in Part I, Item 1 of this Report on Form 10-Q for the quarterly period ended June 30, 2018 (this "Report"), which include additional information about our accounting policies, practices and the transactions underlying our financial results. The preparation of our unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts in our unaudited condensed consolidated financial statements and the accompanying notes including vehicle depreciation and various claims and contingencies related to lawsuits, taxes and other matters arising during the normal course of business. We apply our best judgment, our knowledge of existing facts and circumstances and our knowledge of actions that we may undertake in the future in determining the estimates that will affect our unaudited condensed consolidated financial statements. We evaluate our estimates on an ongoing basis using our historical experience, as well as other factors we believe to be appropriate under the circumstances, such as current economic conditions, and adjust or revise our estimates as circumstances change. As future events and their effects cannot be determined with precision, actual results may differ from these estimates.

In this MD&A we refer to certain key metrics and Non-GAAP measures, including the following:

- Adjusted Pre-Tax Income (Loss) - important to management because it allows management to assess the operational performance of our business, exclusive of certain items and allows management to assess the performance of the entire business on the same basis as the segment measure of profitability. Management believes that it is important to investors for the same reasons it is important to management and because it allows them to assess our operational performance on the same basis that management uses internally.*
- Net Depreciation Per Unit Per Month - important to management and investors as depreciation of revenue earning vehicles and lease charges, is one of our largest expenses for the vehicle rental business and is driven by the number of vehicles, expected residual values at the time of disposal and expected hold period of the vehicles. Net depreciation per unit per month is reflective of how we are managing the costs of our vehicles and facilitates a comparison with other participants in the vehicle rental industry.*
- Total Revenue Per Transaction Day ("Total RPD," also referred to as "pricing") - important to management and investors as it represents a measurement of the changes in underlying pricing in the vehicle rental business and encompasses the elements in vehicle rental pricing that management has the ability to control.*
- Total Revenue Per Unit Per Month ("Total RPU") - important to management and investors as it provides a measure of revenue productivity relative to the total number of vehicles in our fleet whether owned or leased ("average vehicles" or "fleet capacity").*
- Transaction Days - important to management and investors as it represents the number of revenue generating days ("volume"). It is used as a component to measure Total RPD and vehicle utilization. Transaction days represent the total number of 24-hour periods, with any partial period counted as one transaction day, that vehicles were on rent (the period between when a rental contract is opened and closed) in a given period. Thus, it is possible for a vehicle to attain more than one transaction day in a 24-hour period.*
- Vehicle Utilization - important to management and investors because it is the measurement of the proportion of our vehicles that are being used to generate revenues relative to fleet capacity. Higher vehicle utilization means more vehicles are being utilized to generate revenue.*

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

Key metrics and Non-GAAP measures should not be considered in isolation and should not be considered superior to, or a substitute for, financial measures calculated in accordance with U.S. GAAP. The above key metrics and Non-GAAP measures are defined, and the Non-GAAP measures are reconciled to their most comparable U.S. GAAP measure, in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.

OUR COMPANY

Hertz Global was incorporated in Delaware in 2015 to serve as the top-level holding company for Rental Car Intermediate Holdings, LLC, which wholly owns Hertz, Hertz Global's primary operating company. Hertz was incorporated in Delaware in 1967 and is a successor to corporations that have been engaged in the vehicle rental and leasing business since 1918.

We operate our vehicle rental business globally through the Hertz, Dollar and Thrifty brands from approximately 10,200 corporate and franchisee locations in North America, Europe, Latin America, Africa, Asia, Australia, the Caribbean, the Middle East and New Zealand. We are one of the largest worldwide airport general use vehicle rental companies and our Hertz brand name is one of the most recognized in the world, signifying leadership in quality rental services and products. We have an extensive network of rental locations in the U.S. and in all major European markets. We believe that we maintain one of the leading airport vehicle rental brand market shares, by overall reported revenues, in the U.S. and at major airports in Europe where data regarding vehicle rental concessionaire activity is available. We are a leading provider of comprehensive, integrated vehicle leasing and fleet management solutions through our Donlen subsidiary.

OVERVIEW OF OUR BUSINESS AND OPERATING ENVIRONMENT

We are engaged principally in the business of renting and leasing vehicles primarily through our Hertz, Dollar and Thrifty brands. In addition to vehicle rental, we provide comprehensive, integrated vehicle leasing and fleet management solutions through our Donlen subsidiary. We have a diversified revenue base and a highly variable cost structure and are able to adjust fleet capacity, the most significant determinant of our costs, over time to meet expectations of market demand. Our profitability is primarily a function of the volume, mix and pricing of rental transactions and the utilization of vehicles, the related ownership cost of vehicles and other operating costs. Significant changes in the purchase price or residual values of vehicles or interest rates can have a significant effect on our profitability depending on our ability to adjust pricing for these changes. We continue to balance our mix of non-program and program vehicles based on market conditions. Our business requires significant expenditures for vehicles, and consequently we require substantial liquidity to finance such expenditures. See "Liquidity and Capital Resources" below.

Our strategy includes optimization of our vehicle rental operations, disciplined performance management and evaluation of all locations and the pursuit of same-store sales growth.

Our total revenues primarily are derived from rental and related charges and consist of:

- Vehicle rental revenues - revenues from all company-operated vehicle rental operations, including charges to customers for the reimbursement of costs incurred relating to airport concession fees and vehicle license fees, the fueling of vehicles and revenues associated with value-added services associated with vehicle rentals, including the sale of loss or collision damage waivers, liability insurance coverage, parking and other products and fees, ancillary revenues associated with the retail vehicle sales channel and certain royalty fees from our franchisees (such fees are less than 2% of total revenues each period);
- All other operations revenues - revenues from vehicle leasing and fleet management services by our Donlen business and other business activities.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

Our expenses primarily consist of:

- Direct vehicle and operating expense ("DOE") (primarily wages and related benefits; commissions and concession fees paid to airport authorities, travel agents and others; facility, self-insurance and reservation costs; and other costs relating to the operation and rental of revenue earning vehicles, such as damage, maintenance and fuel costs);
- Depreciation expense and lease charges, net relating to revenue earning vehicles (including net gains or losses on the disposal of such vehicles);
- Selling, general and administrative expense ("SG&A"), which includes costs for information technology and finance transformation programs; and
- Interest expense, net.

Our Business Segments

We have identified three reportable segments, which are organized based on the products and services provided by our operating segments and the geographic areas in which our operating segments conduct business, as follows:

- U.S. Rental Car ("U.S. RAC") - Rental of vehicles, as well as sales of value-added services, in the U.S.;
- International Rental Car ("International RAC") - Rental and leasing of vehicles, as well as sales of value-added services, internationally; and
- All Other Operations - Comprised primarily of our Donlen business, which provides vehicle leasing and fleet management services, and other business activities.

In addition to the above reportable segments, we have Corporate operations. We assess performance and allocate resources based upon the financial information for our operating segments.

Fleet

We periodically review and adjust the mix between program and non-program vehicles in our fleet in an effort to optimize the mix of vehicles. Program vehicles generally provide us with flexibility to increase or reduce the size of our fleet based on economic demand. When we increase the percentage of program vehicles, the average age of our fleet decreases since the average holding period for program vehicles is shorter than for non-program vehicles. We dispose of our non-program vehicles via auction, dealer-direct and our retail locations. Non-program vehicles disposed of through our retail outlets allow us the opportunity for value-added revenue, such as warranty and financing and title fees. We adjust the ratio of program and non-program vehicles in our fleet as needed based on contract negotiations and the economic environment pertaining to our industry.

Seasonality

Our vehicle rental operations are a seasonal business, with decreased levels of business in the winter months and heightened activity during the spring and summer peak ("our peak season") for the majority of countries where we generate our revenues. To accommodate increased demand, we increase our available fleet and staff during the second and third quarters of the year. As business demand declines, vehicles and staff are decreased accordingly. A number of our other major operating costs, including airport concession fees, commissions and vehicle liability expenses, are directly related to revenues or transaction volumes. In addition, our management expects to utilize enhanced process improvements, including utilization initiatives and the use of our information technology systems, to help manage our variable costs. Generally, between 70% and 75% of our annual operating costs represent variable costs, while the remaining costs are fixed or semi-fixed. We also maintain a flexible workforce, with a significant number of part-time and seasonal workers. Certain operating expenses, including real estate taxes, rent, insurance, utilities, maintenance and other facility-related expenses, the costs of operating our information technology systems and minimum staffing costs, remain fixed and cannot be adjusted for seasonal demand.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)****Adoption of the new Revenue Standard**

Effective January 1, 2018, we adopted the new revenue standard, Topic 606, which resulted in a net increase to beginning accumulated deficit in the amount of \$189 million related to the cumulative effect of our loyalty program. The adoption of Topic 606 did not have a significant impact to our results of operations for the second quarter and first half of 2018. See the *Revenue from Contracts with Customers* section in Note 2, "Basis of Presentation and Recently Issued Accounting Pronouncements" for further information.

2018 Operating Overview

The following provides an overview of our business and financial performance and key factors influencing our results:

- U.S. RAC
 - Q2 2018 versus Q2 2017:
 - Total revenues increased \$109 million, or 7%
 - Transaction days increased 7%, Total RPD was flat
 - DOE as a percentage of total revenues increased 220 bps (63% versus 61%)
 - SG&A as a percentage of total revenues was flat at 7%
 - Depreciation of revenue earning vehicles and lease charges, net decreased 15% to \$447 million
 - Net depreciation per unit per month decreased 19% to \$285
 - Vehicle utilization increased 100 bps (81% versus 80%)
 - Total RPU increased 1%
 - First Half 2018 versus First Half 2017:
 - Total revenues increased \$182 million, or 6%
 - Transaction days increased 6%, Total RPD was flat
 - DOE as a percentage of total revenues increased 180 bps (64% versus 62%)
 - SG&A as a percentage of total revenues was flat at 7%
 - Depreciation of revenue earning vehicles and lease charges, net decreased 14% to \$881 million
 - Net depreciation per unit per month decreased 17% to \$293
 - Vehicle utilization increased 260 bps (80% versus 78%)
 - Total RPU increased 3%
- International RAC
 - Q2 2018 versus Q2 2017:
 - Total revenues increased \$46 million, or 8%, and increased \$11 million, or 2%, excluding the impact of foreign currency exchange rates ("fx")
 - Transaction days were flat, Total RPD increased 2%
 - DOE as a percentage of total revenues decreased 460 bps (55% versus 59%)
 - SG&A as a percentage of total revenues increased 60 bps (11% versus 10%)
 - Depreciation of revenue earning vehicles and lease charges, net increased 12% to \$112 million, and increased \$5 million, or 5%, excluding fx
 - Net depreciation per unit per month increased 4% to \$199
 - Vehicle utilization was flat at 78%
 - Total RPU increased 1%
 - First Half 2018 versus First Half 2017:
 - Total revenues increased \$102 million, or 11%, and increased \$22 million, or 2%, excluding fx.
 - Transaction days decreased 1%, Total RPD increased 4%
 - DOE as a percentage of total revenues decreased 280 bps (59% versus 62%)
 - SG&A as a percentage of total revenues was flat at 11%
 - Depreciation of revenue earning vehicles and lease charges, net increased 16% to \$214 million, and increased \$11 million, or 5%, excluding fx
 - Net depreciation per unit per month increased 6% to \$209

**HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES**

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)**

- Vehicle utilization decreased 60 bps (76% versus 77%)
- Total RPU increased 3%

- Recorded \$29 million and \$51 million in expenses during the second quarter and first half of 2018, respectively, associated with our information technology and finance transformation programs, compared to \$20 million and \$39 million during the second quarter and first half of 2017, respectively.

- Recorded \$20 million of charges for the early redemption premium and write-off of deferred financing costs in the second quarter and first half of 2018 as a result of redeeming the 4.375% European Vehicle Senior Notes due January 2019, compared to \$8 million in the second quarter and first half of 2017 as a result of redeeming the 4.25% Senior Notes due April 2018 and terminating commitments under the Senior RCF.

For more information on the above, see the discussion of our results on a consolidated basis and by segment that follows herein.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

CONSOLIDATED RESULTS OF OPERATIONS - HERTZ

(\$ in millions)	Three Months Ended June 30,		Percent Increase/(Decrease)	Six Months Ended June 30,		Percent Increase/(Decrease)
	2018	2017		2018	2017	
Total revenues	\$ 2,389	\$ 2,224	7 %	\$ 4,452	\$ 4,140	8 %
Direct vehicle and operating expenses	1,349	1,255	7	2,585	2,387	8
Depreciation of revenue earning vehicles and lease charges, net	687	743	(8)	1,348	1,444	(7)
Selling, general and administrative expenses	265	223	19	498	442	13
Interest expense, net:						
Vehicle	127	82	55	221	153	44
Non-vehicle	71	75	(5)	143	134	7
Interest expense, net	198	157	26	364	287	27
Intangible asset impairments	—	86	(100)	—	86	(100)
Other (income) expense, net	(26)	4	NM	(29)	31	NM
Income (loss) before income taxes	(84)	(244)	(66)	(314)	(537)	(42)
Income tax (provision) benefit	23	86	(73)	51	157	(68)
Net income (loss)	\$ (61)	\$ (158)	(61)	\$ (263)	\$ (380)	(31)
Adjusted pre-tax income (loss) ^(a)	\$ (19)	\$ (81)	(77)	\$ (194)	\$ (293)	(34)

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.

NM - Not meaningful

Three Months Ended June 30, 2018 Compared with Three Months Ended June 30, 2017

Total revenues increased \$165 million, or 7%, due primarily to an increase of \$109 million, \$46 million and \$10 million in our U.S. RAC segment, International RAC segment, and All Other Operations segment, respectively. U.S. RAC revenues increased due to 7% higher volume, comprised of a 13% increase for our off airport business and a 4% increase for our airport business, while Total RPD was flat for the segment. Excluding a \$35 million impact of foreign currency exchange rates, International RAC revenues increased \$11 million, or 2%, driven by a 2% increase in Total RPD. Total revenues in our All Other Operations segment increased \$10 million primarily due to an increase in Donlen's leasing volume.

DOE increased \$94 million year over year primarily due to an increase of \$102 million in our U.S. RAC segment, partially offset by a decrease of \$6 million in our All Other Operations segment. The increase in our U.S. RAC segment is primarily due to increased core rental volumes, investments in additional personnel and site improvement activities related to our transformation initiatives and TNC rentals. DOE for our International RAC segment is flat year over year and decreased \$21 million, excluding the impact of foreign currency exchange rates.

Depreciation of revenue earning vehicles and lease charges, net decreased \$56 million, or 8%, primarily due to a \$77 million decrease in our U.S. RAC segment resulting from decreased losses on disposal of revenue earning vehicles due to stabilization in residual values and a 16 percentage point increase in dispositions through dealer direct and retail sales channels. The decrease was partially offset by a \$12 million increase in our International RAC segment. Excluding the \$7 million impact of foreign currency exchange rates, depreciation of revenue earning vehicles and lease charges, net for our International RAC segment increased \$5 million resulting from higher per vehicle depreciation rates and an increase in average vehicles.

SG&A increased \$42 million, or 19%, in the second quarter of 2018 compared to 2017, due to an increase of \$54 million in marketing, incentive compensation, information technology and finance transformation program costs and other expenses, offset by a \$12 million decrease in restructuring related and other expenses. The above changes are primarily related to our U.S. RAC and corporate operations.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

Vehicle interest expense, net increased \$45 million, or 55%, in the second quarter of 2018 compared to 2017 primarily due to an increase in debt levels and losses on extinguishment of debt, higher market interest rates, increased margins on bank funded facilities due to higher average fleet, and higher rates associated with increasing the mix of medium term funding.

Non-vehicle interest expense, net decreased \$4 million, or 5%, in the second quarter of 2018 compared to 2017, primarily due to decreased outstanding non-vehicle debt balances and losses on extinguishment of debt, partially offset by higher interest rates associated with the Senior Second Priority Secured Notes which were issued in the second quarter of 2017 and higher rates on our floating rate non-vehicle debt.

We had intangible asset impairments of \$86 million in the second quarter of 2017 related to the Dollar Thrifty tradename with no comparable charges in the second quarter of 2018.

We had other income of \$26 million for the second quarter of 2018 compared to other expense of \$4 million in the second quarter of 2017. Other income in 2018 was primarily comprised of a \$17 million gain on marketable securities and a \$6 million legal settlement received related to an oil spill in the Gulf of Mexico in 2010 which relate to our corporate operations and U.S. RAC segment, respectively.

The effective tax rate in the second quarter of 2018 was 27% compared to 35% in the second quarter of 2017. We recorded a tax benefit of \$23 million in the second quarter of 2018 compared to \$86 million in the second quarter of 2017. The lower effective income tax rate and related tax benefit were primarily due to the reduced corporate tax rate as a result of the TCJA, reduced corporate losses, and the composition of earnings by jurisdictions, partially offset by the release of the valuation allowance on U.S. federal capital losses.

Adjusted pre-tax loss was \$19 million in the second quarter of 2018 compared to \$81 million in the second quarter of 2017. See footnote (a) in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" for a summary and description of reconciling adjustments on a consolidated basis.

Six Months Ended June 30, 2018 Compared with Six Months Ended June 30, 2017

Total revenues increased \$312 million, or 8%, due primarily to an increase of \$182 million, \$102 million and \$28 million in our U.S. RAC segment, International RAC segment, and All Other Operations segment, respectively. U.S. RAC revenues increased due to a 6% increase in volume, comprised of a 14% increase for our off airport business and a 3% increase for our airport business, while Total RPD was flat for the segment. Excluding an \$80 million impact of foreign currency exchange rates, International RAC revenues increased \$22 million, or 2%, driven by a 4% increase in Total RPD, partially offset by a 1% decrease in transaction days. Total revenues in our All Other Operations segment increased \$28 million primarily due to an increase in Donlen's leasing volume.

DOE increased \$198 million year over year primarily due to increases of \$167 million and \$33 million in our U.S. RAC segment and International RAC segment, respectively. The increase in our U.S. RAC segment is primarily due to increased core rental volumes, investments in additional personnel and site improvement activities related to our transformation initiatives and TNC rentals. Excluding the \$51 million impact of foreign currency exchange rates, DOE for International RAC decreased \$18 million.

Depreciation of revenue earning vehicles and lease charges, net decreased \$96 million, or 7%, primarily due to a \$142 million decrease in our U.S. RAC segment resulting from decreases in losses on disposal of revenue earning vehicles due to stabilization in residual values and a 14 percentage point increase in dispositions through dealer direct and retail sales channels. The decrease was partially offset by an increase of \$29 million and \$17 million in our International RAC segment and All Other Operations, respectively. Excluding the \$18 million impact of foreign currency exchange rates, depreciation of revenue earning vehicles and lease charges, net for our International RAC segment increased \$11 million resulting from higher per vehicle depreciation rates. The decrease in All Other Operations is due to an increase in Donlen's leasing volume.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

SG&A increased \$56 million, or 13%, in the first half of 2018 compared to 2017, due to an increase of \$78 million in marketing, incentive compensation, information technology and finance transformation program costs and other expenses, offset by a \$22 million decrease in net restructuring related and litigation expenses. The above changes are primarily related to our U.S. RAC, International RAC and corporate operations. Excluding the \$11 million impact of foreign currency exchange rates, SG&A for International RAC increased \$2 million.

Vehicle interest expense, net increased \$68 million, or 44%, in the first half of 2018 compared to 2017 primarily due to an increase in debt levels and losses on extinguishment of debt, higher market interest rates, an increase in margins on bank funded facilities due to higher average fleet, and higher rates associated with increasing the mix of medium term funding.

Non-vehicle interest expense, net increased \$9 million, or 7%, in the first half of 2018 compared to 2017, primarily due to increased outstanding non-vehicle debt balances during the period, increased interest rates associated with the Senior Second Priority Secured Notes which were issued in the second quarter of 2017 and higher rates on our floating rate non-vehicle debt, partially offset by a decrease in losses on extinguishment of debt.

We had intangible asset impairments of \$86 million related to the Dollar Thrifty tradename in the first half of 2017 with no comparable charges in the first half of 2018.

We had other income of \$29 million in the first half of 2018 compared to other expense of \$31 million in the first half of 2017. Other income in 2018 was primarily comprised of a \$17 million gain on marketable securities and a \$6 million legal settlement received related to an oil spill in the Gulf of Mexico in 2010, which relate to our corporate operations and U.S. RAC segment, respectively. Other expense in 2017 was primarily comprised of a \$30 million impairment of an equity method investment.

The effective tax rate in the first half of 2018 was 16% compared to 29% in the first half of 2017. We recorded a tax benefit of \$51 million in the first half of 2018 compared to \$157 million in the first half of 2017. The lower effective income tax rate and related tax benefit were primarily due to the reduced corporate tax rate as a result of the TCJA, reduced corporate losses, and the composition of earnings by jurisdictions, partially offset by the release of the valuation allowance on U.S. federal capital losses.

Adjusted pre-tax loss was \$194 million in the first half of 2018 compared to \$293 million in the first half of 2017. See footnote (a) in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" for a summary and description of reconciling adjustments on a consolidated basis.

CONSOLIDATED RESULTS OF OPERATIONS - HERTZ GLOBAL

The above discussion for Hertz also applies to Hertz Global.

Hertz Global had \$2 million and \$3 million of interest expense, net for the second quarter and first half of 2018, respectively, and \$1 million and \$2 million of interest expense, net for the second quarter and first half of 2017, respectively, that was incremental to the amounts shown for Hertz. This amount represents interest associated with amounts outstanding under a master loan agreement between the companies. Hertz includes this amount as interest income in its statement of operations but this amount is eliminated in consolidation for purposes of presenting Hertz Global. Hertz Global also had \$1 million of income tax benefit for the first half of 2018, and \$1 million of income tax benefit for both the second quarter and first half of 2017 that was incremental to the amounts shown for Hertz.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

RESULTS OF OPERATIONS AND SELECTED OPERATING DATA BY SEGMENT

U.S. Rental Car

(\$ in millions, except as noted)	Three Months Ended June 30,		Percent Increase/(Decrease)	Six Months Ended June 30,		Percent Increase/(Decrease)
	2018	2017		2018	2017	
Total revenues	\$ 1,628	\$ 1,519	7 %	\$ 3,054	\$ 2,872	6 %
Direct vehicle and operating expenses	\$ 1,021	\$ 919	11	\$ 1,947	\$ 1,780	9
Depreciation of revenue earning vehicles and lease charges, net	\$ 447	\$ 524	(15)	\$ 881	\$ 1,023	(14)
Income (loss) before income taxes	\$ 10	\$ (146)	NM	\$ (58)	\$ (278)	(79)
Adjusted pre-tax income (loss) ^(a)	\$ 24	\$ (37)	NM	\$ (24)	\$ (152)	(84)
Transaction days (in thousands) ^(b)	38,747	36,233	7	72,949	68,545	6
Average vehicles ^(c)	523,000	495,000	6	500,800	486,500	3
Vehicle utilization ^(c)	81%	80%	100 bps	80%	78%	260 bps
Total RPD (in whole dollars) ^(d)	\$ 41.37	\$ 41.26	—	\$ 41.17	\$ 41.23	—
Total RPU per month (in whole dollars) ^(e)	\$ 1,022	\$ 1,007	1	\$ 999	\$ 968	3
Net depreciation per unit per month (in whole dollars) ^(f)	\$ 285	\$ 353	(19)	\$ 293	\$ 351	(17)
Percentage of program vehicles at period end	13%	11%	220 bps	13%	11%	220 bps

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.

NM - Not meaningful

Three Months Ended June 30, 2018 Compared with Three Months Ended June 30, 2017

Total U.S. RAC revenues were \$1.6 billion in the second quarter of 2018, an increase of \$109 million, or 7%, from the second quarter of 2017. Transaction days increased 7%, while Total RPD was flat. Increased volume was driven by a 13% increase in our off airport business and a 4% increase in our airport business. Off airport volume increased due to growth in our transportation network companies ("TNC"), retail and insurance replacement rentals. Airport volume increased due to growth in our corporate, domestic tour and inbound rentals. Off airport revenues comprised 29% of total revenues for the segment in the second quarter of 2018 as compared to 28% in the second quarter of 2017.

DOE for U.S. RAC increased \$102 million, or 11%, of which \$36 million was driven by higher core rental volume, \$16 million was driven by incremental investments in additional personnel and site improvement activities related to our transformation initiatives and \$16 million was driven by growth in TNC rentals. Also contributing to the increase are the following:

- Increased facilities and other DOE expenses of \$11 million.
- Increased insurance-related liability expense of \$9 million due to a higher number of claims and unfavorable case development in the second quarter of 2018 versus 2017.
- Increased other vehicle expense of \$6 million driven by increased licensing fees in certain states.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

- Increased personnel related expenses of \$6 million primarily due to the implementation of additional employee incentive programs.
- Increased transportation expense of \$5 million driven by increased usage, higher rates from third-party transportation providers and additional trucking for pre-owned vehicle purchases.

DOE as a percentage of total revenues for U.S. RAC was 63% for the second quarter of 2018 compared to 61% for the second quarter of 2017, an increase of 220 bps, and SG&A as a percentage of total revenues for U.S. RAC was 7% for the second quarter of 2018 and 2017.

Depreciation rates are reviewed on a quarterly basis based on management's routine review of present and estimated future market conditions and their effect on residual values at the time of disposal. Depreciation rates being used to compute the provision for depreciation of revenue earning vehicles are adjusted on certain vehicles in our vehicle rental operations to reflect changes in the estimated residual values to be realized when revenue earning vehicles are sold based on the expected hold period for the vehicles. The change in estimate, based on the review completed for U.S. RAC during the second quarter of 2018, resulted in additional depreciation expense of \$2 million. The second quarter of 2018 rate change reflects declining residual values on large sport utility vehicles. The change in estimate, based on the review completed for U.S. RAC during the second quarter of 2017, resulted in additional depreciation expense of \$24 million which reflected shortened hold periods on certain non-program vehicles as we rebalanced the fleet, our onboarding of a richer mix of premium model year 2017 vehicles, and declining residual values.

Depreciation of revenue earning vehicles and lease charges, net for U.S. RAC decreased by \$77 million, or 15%, in the second quarter of 2018 compared to 2017. The decrease year over year is primarily the result of improved residual values and a 16 percentage point increase in dispositions through dealer direct and retail sales channels. Net depreciation per unit per month decreased to \$285 in the second quarter of 2018 compared to \$353 in the second quarter of 2017.

Income before income taxes for U.S. RAC was \$10 million in the second quarter of 2018 compared to a loss before income taxes of \$146 million in the second quarter of 2017. The \$156 million year over year favorable variance is primarily due to the impact of increased revenues, decreased depreciation expense on our revenue earning vehicles and the impairment of the Dollar Thrifty tradename in the second quarter of 2017. The favorable variance was partially offset by the increase in DOE, a \$17 million increase in SG&A due to increased marketing expenses and a \$16 million increase in vehicle related interest expense due to higher debt levels, higher market interest rates, and higher rates associated with increasing the mix of medium term funding.

Adjusted pre-tax income for U.S. RAC was \$24 million in the second quarter of 2018 compared to adjusted pre-tax loss of \$37 million in the second quarter of 2017. See footnote (a) in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" for a summary and description of reconciling adjustments on a consolidated basis.

Six Months Ended June 30, 2018 Compared with Six Months Ended June 30, 2017

Total U.S. RAC revenues were \$3.1 billion in the first half of 2018, an increase of \$182 million, or 6%, from the first half of 2017. Transaction days increased 6%, while Total RPD was flat. Increased volume was driven by a 14% increase in our off airport business and a 3% increase in our airport business. Off airport volume increased due to growth in our TNC, insurance replacement and retail rentals. Airport volume increased due to growth in our corporate and leisure rentals. Off airport revenues comprised 30% of total revenues for the segment in the first half of 2018 as compared to 28% in the first half of 2017.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

DOE for U.S. RAC increased \$167 million, or 9%, of which \$47 million was driven by core rental volume, \$37 million was driven by incremental investments in additional personnel and site improvement activities related to our transformation initiatives and \$29 million was driven by growth in TNC rentals. Also contributing to the increase are the following:

- Increased personnel related expenses of \$15 million primarily due to the implementation of additional employee incentive programs.
- Increased transportation expense of \$13 million driven by increased usage, higher rates from third-party transportation providers and additional trucking for pre-owned vehicle purchases.
- Increased facility expenses of \$12 million driven by weather-related charges and corrective maintenance.
- Increased maintenance expense of \$8 million driven by higher average vehicles and a richer mix of premium vehicles.

DOE as a percentage of total revenues for U.S. RAC was 64% for the first half of 2018 compared to 62% for the first half of 2017, an increase of 180 bps, and SG&A as a percentage of total revenues for U.S. RAC was 7% for the first half of 2018 and 2017.

Depreciation rates are reviewed on a quarterly basis based on management's routine review of present and estimated future market conditions and their effect on residual values at the time of disposal. Depreciation rates being used to compute the provision for depreciation of revenue earning vehicles are adjusted on certain vehicles in our vehicle rental operations to reflect changes in the estimated residual values to be realized when revenue earning vehicles are sold based on the expected hold period for the vehicles. The changes in estimate, based on reviews completed for U.S. RAC during the first half of 2018, resulted in additional depreciation expense of \$12 million. The first half of 2018 rate change reflects declining residual values on large sport utility vehicles. The changes in estimate, based on reviews completed for U.S. RAC during the first half of 2017, resulted in additional depreciation expense of \$62 million which reflected shortened hold periods on certain non-program vehicles as we rebalanced the fleet, our onboarding of a richer mix of premium model year 2017 vehicles, and declining residual values.

Depreciation of revenue earning vehicles and lease charges, net for U.S. RAC decreased by \$142 million, or 14%, in the first half of 2018 compared to 2017. The decrease year over year is primarily the result of improved residual values and a 14 percentage point increase in dispositions through dealer direct and retail sales channels. Net depreciation per unit per month decreased to \$293 in the first half of 2018 compared to \$351 in the first half of 2017.

Loss before income taxes for U.S. RAC was \$58 million in the first half of 2018 compared to \$278 million in the first half quarter of 2017. The \$220 million year over year favorable variance is primarily due to the impact of increased revenues, decreased depreciation expense on our revenue earning vehicles and the impairment of the Dollar Thrifty tradename in the second half of 2017. The favorable variance was partially offset by an increase in DOE and a \$23 million increase in SG&A due to increased marketing expenses and a \$32 million increase in vehicle related interest expense due to higher debt levels, higher market interest rates, and higher rates associated with increasing the mix of medium term funding.

Adjusted pre-tax loss for U.S. RAC was \$24 million in the first half of 2018 compared to \$152 million in the first half of 2017. See footnote (a) in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" for a summary and description of reconciling adjustments on a consolidated basis.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

International Rental Car

(\$ in millions, except as noted)	Three Months Ended June 30,		Percent Increase/(Decrease)	Six Months Ended June 30,		Percent Increase/(Decrease)
	2018	2017		2018	2017	
Total revenues	\$ 589	\$ 543	8 %	\$ 1,057	\$ 955	11 %
Direct vehicle and operating expenses	\$ 322	\$ 322	—	\$ 622	\$ 589	6
Depreciation of revenue earning vehicles and lease charges, net	\$ 112	\$ 100	12	\$ 214	\$ 185	16
Income (loss) before income taxes	\$ 50	\$ 43	16	\$ 38	\$ 37	3
Adjusted pre-tax income (loss) ^(a)	\$ 74	\$ 56	32	\$ 69	\$ 52	33
Transaction days (in thousands) ^(b)	13,225	13,235	—	23,199	23,419	(1)
Average vehicles ^(c)	187,300	186,100	1	168,000	168,300	—
Vehicle utilization ^(c)	78%	78%	(60) bps	76%	77%	(60) bps
Total RPD (in whole dollars) ^(d)	\$ 44.61	\$ 43.67	2	\$ 45.09	\$ 43.55	4
Total RPU per month (in whole dollars) ^(e)	\$ 1,050	\$ 1,035	1	\$ 1,038	\$ 1,010	3
Net depreciation per unit per month (in whole dollars) ^(f)	\$ 199	\$ 192	4	\$ 209	\$ 197	6
Percentage of program vehicles at period end	51%	46%	480 bps	51%	46%	480 bps

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.

Three Months Ended June 30, 2018 Compared with Three Months Ended June 30, 2017

Total revenues for International RAC increased \$46 million, or 8%, in the second quarter of 2018 compared to 2017. Excluding a \$35 million impact of foreign currency exchange rates, revenues increased \$11 million, or 2%, driven by a 2% increase in Total RPD. Excluding the impact of the sale of our Brazil operations in 2017, total revenues for International RAC increased \$58 million, or 11%, Total RPD was flat, and transactions days increased 4%.

DOE for International RAC was flat compared to the prior year. Excluding a \$21 million impact of foreign currency exchange rates, DOE decreased \$21 million, or 6% compared to the prior year driven by a decrease of \$20 million in PLPD expense, due to favorable case development and fewer large claims, and a charge recorded in 2017 resulting from a terrorist event.

DOE as a percentage of total revenues for International RAC was 55% for the second quarter of 2018 compared to 59% for the second quarter of 2017, a decrease of 460 bps, and SG&A as a percentage of total revenues for International RAC was 11% for the second quarter of 2018 compared to 10% for the second quarter of 2017, an increase of 60 bps.

Depreciation of revenue earning vehicles and lease charges, net for International RAC increased \$12 million, or 12%, in the second quarter of 2018 compared to 2017. Excluding a \$7 million impact of foreign currency exchange rates, depreciation of revenue earning vehicles and lease charges, net increased \$5 million or 5% primarily due to an increase in average vehicles of 1% and higher per vehicle depreciation rates, which was driven by declining residual values on diesel vehicles in Europe and the divestiture of our Brazil operations. Net depreciation per unit per month for International RAC increased 4% to \$199 from \$192 for the second quarter of 2018 versus 2017.

Income before income taxes for International RAC was \$50 million in the second quarter of 2018 compared to \$43 million in the second quarter of 2017. The increase year over year is primarily due to an increase in revenues. The

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

increase was partially offset by a \$25 million increase in interest expense, net primarily due to the \$20 million loss on extinguishment of debt associated with the redemption of the 4.375% European Vehicle Senior Notes due January 2019 and an increase in depreciation expense on our revenue earning vehicles.

Adjusted pre-tax income for International RAC was \$74 million in the second quarter of 2018 compared to \$56 million in the second quarter of 2017. See footnote (a) in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" for a summary and description of reconciling adjustments on a consolidated basis.

Six Months Ended June 30, 2018 Compared with Six Months Ended June 30, 2017

Total revenues for International RAC increased \$102 million, or 11%, in the first half of 2018 compared to 2017. Excluding an \$80 million impact of foreign currency exchange rates, revenues increased \$22 million, or 2%, driven by an increase in pricing, partially offset by lower volume. Total RPD for International RAC increased 4% due to improved pricing in our leisure markets and the sale of our lower RPD operations in Brazil in the third quarter of 2017. Transaction days decreased 1% mostly due to the sale of our Brazil operations. Excluding the impact of the sale of our Brazil operations, total revenues for International RAC increased \$127 million, or 14%, Total RPD increased 1%, and transactions days increased 4%.

DOE for International RAC increased \$33 million in the first half of 2018 compared to 2017. Excluding a \$51 million impact of foreign currency exchange rates, DOE decreased \$18 million, or 3%, driven by a \$22 million decrease in PLPD expense due to favorable case development and fewer large claims, and a charge recorded in 2017 resulting from a terrorist event. The decrease was partially offset by an increase of \$8 million in maintenance and damage charges.

DOE as a percentage of total revenues for International RAC was 59% for the first half of 2018 compared to 62% for the first half of 2017, a decrease of 280 bps, and SG&A as a percentage of total revenues for International RAC was 11% for the first half of 2018 and 2017.

Depreciation of revenue earning vehicles and lease charges, net for International RAC increased \$29 million, or 16%, in the first half of 2018 compared to 2017. Excluding an \$18 million impact of foreign currency exchange rates, depreciation of revenue earning vehicles and lease charges, net increased \$11 million or 5% primarily due to higher per vehicle depreciation rates, which was driven by declining residual values on diesel vehicles in Europe. Net depreciation per unit per month for International RAC increased 6% to \$209 from \$197 for the first half of 2018 versus 2017.

Income before income taxes for International RAC was \$38 million in the first half of 2018 compared to \$37 million in the first half of 2017. The increase year over year is primarily due to an increase in revenues, partially offset by increased DOE and depreciation expense on our revenue earning vehicles. Additionally, there was an increase of \$28 million in interest expense, net primarily due to the \$20 million loss on extinguishment of debt associated with the redemption of the 4.375% European Vehicle Senior Notes due January 2019 and higher interest rates on our outstanding debt balances and a \$13 million increase in SG&A mainly due to the impact of foreign currency exchange rates.

Adjusted pre-tax income for International RAC was \$69 million in the first half of 2018 compared to \$52 million in the first half of 2017. See footnote (a) in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" for a summary and description of reconciling adjustments on a consolidated basis.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

All Other Operations

The All Other Operations segment is primarily comprised of our Donlen business, as such, our discussion is limited to Donlen.

(\$ in millions)	Three Months Ended June 30,		Percent Increase/(Decrease)	Six Months Ended June 30,		Percent Increase/(Decrease)
	2018	2017		2018	2017	
Total revenues	\$ 172	\$ 162	6 %	\$ 341	\$ 313	9 %
Direct vehicle and operating expenses	\$ 8	\$ 14	(43)	\$ 17	\$ 19	(11)
Depreciation of revenue earning vehicles and lease charges, net	\$ 128	\$ 119	8	\$ 253	\$ 236	7
Income (loss) before income taxes	\$ 21	\$ 16	31	\$ 40	\$ 34	18
Adjusted pre-tax income (loss) ^(a)	\$ 24	\$ 19	26	\$ 47	\$ 39	21
Average vehicles - Donlen	187,600	206,200	(9)	189,600	206,900	(8)

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.

Donlen had favorable results in the second quarter and first half of 2018 as compared to the second quarter and first half of 2017. Donlen units under lease increased 4% in the second quarter of 2018 versus 2017 and increased 3% in the first half of 2018 versus 2017. Growth in units under lease, as well as a richer mix of vehicles, resulted in increased revenues and depreciation expense. Additionally, there were increased charges related to new leases entered into beginning in 2017 with fewer comparable leases entered into in 2018, resulting in a decrease in DOE. The decrease in overall average vehicles in the second quarter and first half of 2018 as compared to the second quarter and first half of 2017 is due to a reduction in non-lease units in our maintenance management programs which drive a lower revenue per unit when compared to lease units under these programs.

Footnotes to the Results of Operations and Selected Operating Data by Segment Tables

- (a) Adjusted pre-tax income (loss) is calculated as income (loss) before income taxes plus non-cash acquisition accounting charges, debt-related charges relating to the amortization and write-off of debt financing costs and debt discounts and premiums, goodwill, intangible and tangible asset impairments and write downs, information technology and finance transformation costs and certain other miscellaneous or non-recurring items. Adjusted pre-tax income (loss) is important because it allows management to assess operational performance of our business, exclusive of the items mentioned above. It also allows management to assess the performance of the entire business on the same basis as the segment measure of profitability. Management believes that it is important to investors for the same reasons it is important to management and because it allows them to assess our operational performance on the same basis that management uses internally. When evaluating our operating performance, investors should not consider adjusted pre-tax income (loss) in isolation of, or as a substitute for, measures of our financial performance, such as net income (loss) or income (loss) before income taxes. The contribution of our reportable segments to adjusted pre-tax income (loss) and reconciliation to the most comparable consolidated GAAP measure are presented below:

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

Hertz

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Adjusted pre-tax income (loss):				
U.S. Rental Car	\$ 24	\$ (37)	\$ (24)	\$ (152)
International Rental Car	74	56	69	52
All Other Operations	24	19	47	39
Total reportable segments	122	38	92	(61)
Corporate ⁽¹⁾	(141)	(119)	(286)	(232)
Adjusted pre-tax income (loss)	(19)	(81)	(194)	(293)
Adjustments:				
Acquisition accounting ⁽²⁾	(15)	(16)	(30)	(31)
Debt-related charges ⁽³⁾	(13)	(10)	(26)	(21)
Loss on extinguishment of debt ⁽⁴⁾	(20)	(8)	(22)	(8)
Restructuring and restructuring related charges ⁽⁵⁾	(10)	(5)	(13)	(13)
Impairment charges and asset write-downs ⁽⁶⁾	—	(86)	—	(116)
Information technology and finance transformation costs ⁽⁷⁾	(29)	(20)	(51)	(39)
Other ⁽⁸⁾	22	(18)	22	(16)
Income (loss) before income taxes	\$ (84)	\$ (244)	\$ (314)	\$ (537)

Hertz Global

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Adjusted pre-tax income (loss):				
U.S. Rental Car	\$ 24	\$ (37)	\$ (24)	\$ (152)
International Rental Car	74	56	69	52
All Other Operations	24	19	47	39
Total reportable segments	122	38	92	(61)
Corporate ⁽¹⁾	(143)	(120)	(289)	(234)
Adjusted pre-tax income (loss)	(21)	(82)	(197)	(295)
Adjustments:				
Acquisition accounting ⁽²⁾	(15)	(16)	(30)	(31)
Debt-related charges ⁽³⁾	(13)	(10)	(26)	(21)
Loss on extinguishment of debt ⁽⁴⁾	(20)	(8)	(22)	(8)
Restructuring and restructuring related charges ⁽⁵⁾	(10)	(5)	(13)	(13)
Impairment charges and asset write-downs ⁽⁶⁾	—	(86)	—	(116)
Information technology and finance transformation costs ⁽⁷⁾	(29)	(20)	(51)	(39)
Other ⁽⁸⁾	22	(18)	22	(16)
Income (loss) before income taxes	\$ (86)	\$ (245)	\$ (317)	\$ (539)

(1) Represents general corporate expenses, non-vehicle interest expense, as well as other business activities.

(2) Represents incremental expense associated with amortization of other intangible assets and depreciation of property and equipment relating to acquisition accounting.

(3) Primarily represents debt-related charges relating to the amortization of deferred financing costs and debt discounts and premiums.

(4) In 2018, primarily represents \$20 million of early redemption premium and write-off of deferred financing costs associated with the full redemption of the 4.375% European Vehicle Senior Notes due January 2019 in April 2018. In 2017, represents \$6 million of early redemption premium and write-off of deferred financing costs associated with the redemption of certain notes and a \$2 million write-off of deferred financing costs associated with the termination of commitments under the Senior RCF.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

- (5) Represents charges incurred under restructuring actions as defined in U.S. GAAP, excluding impairments and asset write-downs, which are shown separately in the table. Also includes restructuring related charges such as incremental costs incurred directly supporting business transformation initiatives. Such costs include transition costs incurred in connection with business process outsourcing arrangements and incremental costs incurred to facilitate business process re-engineering initiatives that involve significant organization redesign and extensive operational process changes. Also includes consulting costs, legal fees and other expenses related to the previously disclosed accounting review and investigation.
- (6) In 2017, represents a second quarter \$86 million impairment of the Dollar Thrifty tradename and a first quarter impairment of \$30 million related to an equity method investment.
- (7) Represents costs associated with our information technology and finance transformation programs, both of which are multi-year initiatives to upgrade and modernize our systems and processes.
- (8) Represents miscellaneous or non-recurring items. In 2018, includes a \$17 million gain on marketable securities and a \$6 million legal settlement received in the second quarter related to an oil spill in the Gulf of Mexico in 2010. In 2017, includes first and second quarter adjustments, as applicable, to the carrying value of the our previous Brazil operations and second quarter charges of \$6 million for labor-related matters and \$5 million relating to PLPD as a result of a terrorist event.

(b) Transaction days represent the total number of 24-hour periods, with any partial period counted as one transaction day, that vehicles were on rent (the period between when a rental contract is opened and closed) in a given period. Thus, it is possible for a vehicle to attain more than one transaction day in a 24-hour period.

(c) Average vehicles are determined using a simple average of the number of vehicles at the beginning and end of a given period. Among other things, average vehicles is used to calculate our vehicle utilization which represents the portion of our vehicles that are being utilized to generate revenue. Vehicle utilization is calculated by dividing total transaction days by available car days. The calculation of vehicle utilization is shown in the table below.

	U.S. Rental Car		International Rental Car	
	Three Months Ended June 30,			
	2018	2017	2018	2017
Transaction days (in thousands)	38,747	36,233	13,225	13,235
Average vehicles	523,000	495,000	187,300	186,100
Number of days in period	91	91	91	91
Available car days (in thousands)	47,593	45,045	17,044	16,935
Vehicle utilization	81%	80%	78%	78%

	U.S. Rental Car		International Rental Car	
	Six Months Ended June 30,			
	2018	2017	2018	2017
Transaction days (in thousands)	72,949	68,545	23,199	23,419
Average vehicles	500,800	486,500	168,000	168,300
Number of days in period	181	181	181	181
Available car days (in thousands)	90,645	88,057	30,408	30,462
Vehicle utilization	80%	78%	76%	77%

(d) Total RPD is calculated as total revenue less ancillary retail vehicle sales revenue, with all periods adjusted to eliminate the effect of fluctuations in foreign currency exchange rates ("total rental revenue"), divided by the total number of transaction days. Our management believes eliminating the effect of fluctuations in foreign currency exchange rates is useful in analyzing underlying trends. The calculation of Total RPD is shown below:

	U.S. Rental Car		International Rental Car	
	Three Months Ended June 30,			
	2018	2017	2018	2017
(\$ in millions, except as noted)				
Revenues	\$ 1,628	\$ 1,519	\$ 589	\$ 543
Ancillary retail vehicle sales revenue	(25)	(24)	—	—
Foreign currency adjustment ⁽¹⁾	—	—	1	35
Total rental revenue	\$ 1,603	\$ 1,495	\$ 590	\$ 578
Transaction days (in thousands)	38,747	36,233	13,225	13,235
Total RPD (in whole dollars)	\$ 41.37	\$ 41.26	\$ 44.61	\$ 43.67

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

(\$ in millions, except as noted)	U.S. Rental Car		International Rental Car	
	Six Months Ended June 30,			
	2018	2017	2018	2017
Revenues	\$ 3,054	\$ 2,872	\$ 1,057	\$ 955
Ancillary retail vehicle sales revenue	(51)	(46)	—	—
Foreign currency adjustment ⁽¹⁾	—	—	(11)	65
Total rental revenue	\$ 3,003	\$ 2,826	\$ 1,046	\$ 1,020
Transaction days (in thousands)	72,949	68,545	23,199	23,419
Total RPD (in whole dollars)	\$ 41.17	\$ 41.23	\$ 45.09	\$ 43.55

(1) Based on December 31, 2017 foreign currency exchange rates for the periods presented.

(e) Total RPU is calculated as total rental revenue divided by the average vehicles in each period and then divided by the number of months in the period reported. The calculation of Total RPU is shown below:

(\$ in millions, except as noted)	U.S. Rental Car		International Rental Car	
	Three Months Ended June 30,			
	2018	2017	2018	2017
Total rental revenue	\$ 1,603	\$ 1,495	\$ 590	\$ 578
Average vehicles	523,000	495,000	187,300	186,100
Total revenue per unit (in whole dollars)	\$ 3,065	\$ 3,020	\$ 3,150	\$ 3,106
Number of months in period	3	3	3	3
Total RPU per month (in whole dollars)	\$ 1,022	\$ 1,007	\$ 1,050	\$ 1,035

(\$ in millions, except as noted)	U.S. Rental Car		International Rental Car	
	Six Months Ended June 30,			
	2018	2017	2018	2017
Total rental revenue	\$ 3,003	\$ 2,826	\$ 1,046	\$ 1,020
Average vehicles	500,800	486,500	168,000	168,300
Total revenue per unit (in whole dollars)	\$ 5,996	\$ 5,809	\$ 6,226	\$ 6,061
Number of months in period	6	6	6	6
Total RPU (in whole dollars)	\$ 999	\$ 968	\$ 1,038	\$ 1,010

(f) Net depreciation per unit per month represents the amount of average depreciation expense and lease charges, net per vehicle per month and is calculated as depreciation of revenue earning vehicles and lease charges, net, with all periods adjusted to eliminate the effect of fluctuations in foreign currency exchange rates, divided by the average vehicles in each period and then dividing by the number of months in the period reported. Our management believes eliminating the effect of fluctuations in foreign currency exchange rates is useful in analyzing underlying trends. The calculation of net depreciation per unit per month is shown below:

(\$ in millions, except as noted)	U.S. Rental Car		International Rental Car	
	Three Months Ended June 30,			
	2018	2017	2018	2017
Depreciation of revenue earning vehicles and lease charges, net	\$ 447	\$ 524	\$ 112	\$ 100
Foreign currency adjustment ⁽¹⁾	—	—	—	7
Adjusted depreciation of revenue earning vehicles and lease charges, net	\$ 447	\$ 524	\$ 112	\$ 107
Average vehicles	523,000	495,000	187,300	186,100
Adjusted depreciation of revenue earning vehicles and lease charges, net divided by average vehicles (in whole dollars)	\$ 855	\$ 1,059	\$ 598	\$ 575
Number of months in period	3	3	3	3
Net depreciation per unit per month (in whole dollars)	\$ 285	\$ 353	\$ 199	\$ 192

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

(\$ in millions, except as noted)	U.S. Rental Car		International Rental Car	
	Six Months Ended June 30,			
	2018	2017	2018	2017
Depreciation of revenue earning vehicles and lease charges, net	\$ 881	\$ 1,023	\$ 214	\$ 185
Foreign currency adjustment ⁽¹⁾	—	—	(3)	14
Adjusted depreciation of revenue earning vehicles and lease charges, net	\$ 881	\$ 1,023	\$ 211	\$ 199
Average vehicles	500,800	486,500	168,000	168,300
Adjusted depreciation of revenue earning vehicles and lease charges, net divided by average vehicles (in whole dollars)	\$ 1,759	\$ 2,103	\$ 1,256	\$ 1,182
Number of months in period	6	6	6	6
Net depreciation per unit per month (in whole dollars)	\$ 293	\$ 351	\$ 209	\$ 197

(1) Based on December 31, 2017 foreign currency exchange rates for the periods presented.

LIQUIDITY AND CAPITAL RESOURCES

Our U.S. and international operations are funded by cash provided by operating activities and by extensive financing arrangements maintained by us in the U.S. and internationally.

As of June 30, 2018, we had \$685 million of cash and cash equivalents and \$236 million of restricted cash. Of these amounts, \$159 million of cash and cash equivalents and \$48 million of restricted cash was held by our subsidiaries outside of the U.S. If not in the form of loan repayments, repatriation of some of these funds under current regulatory and tax law for use in domestic operations would expose us to additional taxes.

We believe that cash and cash equivalents generated by our operations and cash received on the disposal of vehicles, together with amounts available under various liquidity facilities and refinancing options available to us in the capital markets, will be sufficient to fund operating requirements for the next twelve months.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

Cash Flows - Hertz

As of June 30, 2018, Hertz had cash, cash equivalents and restricted cash of \$921 million as compared to \$1.5 billion as of December 31, 2017. The following table summarizes the net change in cash, cash equivalents and restricted cash for the periods shown:

(In millions)	Six Months Ended June 30,		\$ Change
	2018	2017	
Cash provided by (used in):			
Operating activities	\$ 945	\$ 965	\$ (20)
Investing activities	(4,055)	(2,940)	(1,115)
Financing activities	2,537	3,067	(530)
Effect of exchange rate changes	(10)	17	(27)
Net change in cash, cash equivalents, restricted cash and restricted cash equivalents	\$ (583)	\$ 1,109	\$ (1,692)

During the first half of 2018, there was a \$9 million increase in cash outflows from working capital accounts period over period and a reduction of cash inflows of \$11 million from net income excluding non-cash items. The change from working capital accounts was due primarily to a \$109 million decrease in cash due in part to an increase in customer receivables related to increased revenue year over year, an increase in prepaid expenses and other assets primarily related to vehicle purchases and an increase in value-added tax receivables in our International RAC segment. The above was partially offset by a \$100 million increase in cash due in part to an increase in non-vehicle accounts payable and accrued liabilities related to commissions payable, insurance payables and prepaid rentals.

Our primary investing activities relate to the acquisition and disposals of revenue earning vehicles. There was a \$1.1 billion increase in the use of cash for investing activities year over year primarily due to a \$901 million increase in cash outflows for the purchase of revenue earning vehicles in U.S. RAC due to a higher volume of vehicles acquired earlier in 2018 versus 2017 with a richer mix of premium vehicles and a decrease in proceeds from the sale of revenue earnings vehicles of \$181 million due to fewer vehicle dispositions year over year.

There were net cash inflows of \$2.5 billion for financing activities for the first half of 2018 compared to \$3.1 billion for the first half of 2017, primarily due to the issuance of \$1.4 billion HVF II Series 2018-1 Notes, HVF II Series 2018-2 Notes and HVF II Series 2018-3 Notes and €500 million HHN BV 5.50% Senior Notes due March 2023. Additionally, during the first half of 2017, we issued \$1.25 billion in aggregate principal amount of 7.625% Senior Second Priority Secured Notes due 2022 and had a \$750 million draw on the Senior RCF.

Cash Flows - Hertz Global

As of June 30, 2018, Hertz Global had cash, cash equivalents and restricted cash of \$921 million as compared to \$1.5 billion as of December 31, 2017. The following table summarizes the net change in cash, cash equivalents and restricted cash for the periods shown:

(In millions)	Six Months Ended June 30,		\$ Change
	2018	2017	
Cash provided by (used in):			
Operating activities	\$ 942	\$ 963	\$ (21)
Investing activities	(4,055)	(2,940)	(1,115)
Financing activities	2,540	3,069	(529)
Effect of exchange rate changes	(10)	17	(27)
Net change in cash, cash equivalents, restricted cash and restricted cash equivalents	\$ (583)	\$ 1,109	\$ (1,692)

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

Fluctuations in operating, investing and financing cash flows from period to period are due to the same factors as those disclosed for Hertz above, with the exception of any cash inflows or outflows related to the master loan agreement between Hertz and Hertz Global and cash outflows by Hertz Global for the purchase of treasury shares. There were no purchases of treasury shares by Hertz Global during the first half of 2018 or 2017.

Financing

Our primary liquidity needs include servicing of vehicle and non-vehicle debt, the payment of operating expenses and capital projects and purchases of revenue earning vehicles to be used in our operations. Our primary sources of funding are operating cash flows, cash received on the disposal of revenue earning vehicles, borrowings under our revolving credit facilities and access to the credit markets. Substantially all of our revenue earning vehicles and certain related assets are owned by special purpose entities, or are encumbered in favor of our lenders under our various credit facilities, other secured financings and asset-backed securities programs. None of such assets are available to satisfy the claims of our general creditors.

We are highly leveraged, and a substantial portion of our liquidity needs arise from debt service on our indebtedness and from the funding of our costs of operations, capital expenditures and acquisitions. Our practice is to maintain sufficient total liquidity through cash from operations, credit facilities and other financing arrangements, to mitigate any adverse effect on our operations resulting from adverse financial market conditions.

Refer to Part I, Item 1, Note 6, "Debt," to the Notes to our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for information on our outstanding debt obligations and our borrowing capacity and availability under our revolving credit facilities as of June 30, 2018. Cash paid for interest during the first half of 2018 was \$175 million for interest on vehicle debt and \$142 million for interest on non-vehicle debt. Cash paid for interest during the first half of 2017 was \$130 million for interest on vehicle debt and \$128 million for interest on non-vehicle debt.

Details of our corporate liquidity were as follows:

<u>(In millions)</u>	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Cash and cash equivalents	\$ 685	\$ 1,072
Availability under the Senior RCF	502	552
Corporate liquidity	<u>\$ 1,187</u>	<u>\$ 1,624</u>

Approximately \$2.5 billion of vehicle debt and \$25 million of non-vehicle debt will mature during the twelve months following the issuance of this Report (the "next twelve months") and we will need to refinance a portion of the debt. We have reviewed the maturing debt obligations and determined that it is probable that we will be able, and have the intent, to repay or refinance these facilities at such times as we deem appropriate prior to their maturities. We believe that cash generated from operations, cash received on the disposal of vehicles, together with amounts available under various liquidity facilities and refinancing options available to us, will be adequate to permit us to meet our debt maturities over the next twelve months.

Covenants

The indentures for the Senior Notes and the Senior Second Priority Secured Notes contain covenants that, among other things, limit or restrict the ability of the Hertz credit group to incur additional indebtedness, incur guarantee obligations, prepay certain indebtedness, make certain restricted payments (including paying dividends, redeeming stock or making other distributions to parent entities of Hertz and other persons outside of the Hertz credit group), make investments, create liens, transfer or sell assets, merge or consolidate, and enter into certain transactions with Hertz's affiliates that are not members of the Hertz credit group.

Certain of our other debt instruments and credit facilities (including the Senior Facilities and the Letter of Credit Facility) contain a number of covenants that, among other things, limit or restrict the ability of the borrowers and the guarantors

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay certain indebtedness, make certain restricted payments (including paying dividends, share repurchases or making other distributions), create liens, make investments, make acquisitions, engage in mergers, fundamentally change the nature of their business, make capital expenditures, or engage in certain transactions with certain affiliates.

The Senior RCF and the Letter of Credit Facility contain a financial maintenance covenant applicable to such facilities. Such covenant provides that Hertz's consolidated first lien net leverage ratio, as defined in the credit agreements governing such facilities (together, the "Senior Credit Agreement"), as of the last day of any fiscal quarter (the "Covenant Leverage Ratio"), may not exceed a ratio of 3.00 to 1.00.

As of June 30, 2018, Hertz was in compliance with the Covenant Leverage Ratio with a ratio of 1.60 to 1.00, as calculated in accordance with the Senior Credit Agreement. Consolidated EBITDA, as defined in the Senior Credit Agreement, is a component of the calculation of the Covenant Leverage Ratio and is a non-GAAP financial measure that is not a measure of operating results, but instead is a measure used to determine compliance with the Covenant Leverage Ratio under the Senior Credit Agreement. Consolidated EBITDA is generally defined in the Senior Credit Agreement as consolidated net income plus the sum of income taxes, non-vehicle interest expense, non-vehicle depreciation and amortization expense, and non-cash charges or losses, as further adjusted for certain other items permitted in calculating covenant compliance under the Senior RCF and the Letter of Credit Facility, including add-backs for non-recurring, unusual or extraordinary charges, business optimization expenses or other restructuring charges or reserves.

Based on available liquidity from our expected operating results, the Senior RCF and other financing arrangements, Hertz expects to continue to be in compliance with the Covenant Leverage Ratio for at least the next twelve months.

Capital Expenditures

Revenue Earning Vehicles Expenditures

The table below sets forth our revenue earning vehicles expenditures and related disposal proceeds for the periods shown:

<u>Cash inflow (cash outflow)</u>	Revenue Earning Vehicles		
	Capital Expenditures	Disposal Proceeds	Net Capital Expenditures
(In millions)			
2018			
First Quarter	\$ (3,565)	\$ 1,782	\$ (1,783)
Second Quarter	(4,045)	1,872	(2,173)
Total	<u>\$ (7,610)</u>	<u>\$ 3,654</u>	<u>\$ (3,956)</u>
2017			
First Quarter	\$ (2,837)	\$ 1,935	\$ (902)
Second Quarter	(3,872)	1,900	(1,972)
Total	<u>\$ (6,709)</u>	<u>\$ 3,835</u>	<u>\$ (2,874)</u>

As previously disclosed, we identified a classification error in our first quarter 2017 statement of cash flows that we corrected in the second quarter of 2017 related to our former operations in Brazil. Correction of the error resulted in a \$25 million decrease to revenue earning vehicles expenditures and proceeds from disposals of revenues earning vehicles for the first quarter of 2017 and a \$25 million increase of revenue earning vehicles expenditures and proceeds from disposals of revenues earning vehicles for the second quarter of 2017 in the table above. These revisions had no impact on net capital expenditures for revenue earning vehicles for either 2017 quarter and had no impact on the 2017 totals.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

The table below sets forth net capital expenditures for revenue earning vehicles by segment for the periods shown:

<u>Cash inflow (cash outflow)</u> (\$ in millions)	Six Months Ended June 30,			
	2018	2017	\$ Change	% Change
U.S. Rental Car	\$ (2,968)	\$ (1,862)	\$ (1,106)	59 %
International Rental Car	(705)	(787)	82	(10)
All Other Operations	(283)	(225)	(58)	26
Total	<u>\$ (3,956)</u>	<u>\$ (2,874)</u>	<u>\$ (1,082)</u>	38

Capital Assets, Non-Vehicle

The table below sets forth our capital asset expenditures, non-vehicle, and related disposal proceeds for the periods shown:

<u>Cash inflow (cash outflow)</u> (In millions)	Capital Assets, Non-Vehicle		
	Capital Expenditures	Disposal Proceeds	Net Capital Expenditures
2018			
First Quarter	\$ (44)	\$ 4	\$ (40)
Second Quarter	(36)	4	(32)
Total	<u>\$ (80)</u>	<u>\$ 8</u>	<u>\$ (72)</u>
2017			
First Quarter	\$ (41)	\$ 7	\$ (34)
Second Quarter	(43)	4	(39)
Total	<u>\$ (84)</u>	<u>\$ 11</u>	<u>\$ (73)</u>

The table below sets forth capital asset expenditures, non-vehicle, net of disposal proceeds, by segment for the periods shown:

<u>Cash inflow (cash outflow)</u> (\$ in millions)	Six Months Ended June 30,			
	2018	2017	\$ Change	% Change
U.S. Rental Car	\$ (38)	\$ (41)	\$ 3	(7)%
International Rental Car	(7)	(9)	2	(22)
All Other Operations	(2)	(3)	1	(33)
Corporate	(25)	(20)	(5)	25
Total	<u>\$ (72)</u>	<u>\$ (73)</u>	<u>\$ 1</u>	(1)

As further described in Note 2, "Basis of Presentation and Recently Issued Accounting Pronouncements," to the Notes to our condensed consolidated financial statements included in this Report, we revised our condensed consolidated statements of cash flows for the six months ended June 30, 2017 to decrease capital asset expenditures, non-vehicle by \$19 million, of which \$13 million and \$6 million is attributable to the first and second quarter of 2017, respectively. For the six months ended June 30, 2017, \$4 million is attributable to our U.S. RAC segment and \$15 million is attributable to our corporate operations.

CONTRACTUAL OBLIGATIONS

As of June 30, 2018, there have been no material changes outside of the ordinary course of business to our known contractual obligations as set forth in the table included in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2017 Form 10-K. Changes to our aggregate indebtedness, including related interest and terms for new issuances, are described in Part I, Item 1, Note 6, "Debt," to the Notes to our unaudited condensed consolidated financial statements included in this Report.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Indemnification Obligations

There have been no significant changes to our indemnification obligations as compared to those disclosed in Note 16, "Contingencies and Off-Balance Sheet Commitments" of the Notes to our consolidated financial statements included in our 2017 Form 10-K under the caption Item 8, "Financial Statements and Supplementary Data."

We regularly evaluate the probability of having to incur costs associated with indemnification obligations and will accrue for expected losses when they are probable and estimable.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

For a discussion of recent accounting pronouncements, see Note 2, "Basis of Presentation and Recently Issued Accounting Pronouncements," to the Notes to our unaudited condensed consolidated financial statements included in this Report ("Note 2").

As disclosed in Note 2, we adopted Topic 606 in accordance with the effective date on January 1, 2018. The Revenue from Contracts with Customers section of Note 2 includes disclosures regarding our method of adoption and the impact on our financial position, results of operations and cash flows. See Note 7, "Revenue," for information regarding our accounting policies for revenue recognition, including the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, as well as other required disclosures under Topic 606.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this Report on Form 10-Q and in reports we subsequently file with the United States Securities and Exchange Commission ("SEC") on Forms 10-K and 10-Q and file or furnish on Form 8-K, and in related comments by our management, include "forward-looking statements." Forward-looking statements include information concerning our liquidity and our possible or assumed future results of operations, including descriptions of our business strategies. These statements often include words such as "believe," "expect," "project," "potential," "anticipate," "intend," "plan," "estimate," "seek," "will," "may," "would," "should," "could," "forecasts" or similar expressions. These statements are based on certain assumptions that we have made in light of our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate in these circumstances. We believe these judgments are reasonable, but you should understand that these statements are not guarantees of performance or results, and our actual results could differ materially from those expressed in the forward-looking statements due to a variety of important factors, both positive and negative, that may be revised or supplemented in subsequent reports on Forms 10-K, 10-Q and 8-K.

Important factors that could affect our actual results and cause them to differ materially from those expressed in forward-looking statements include, among others, those that may be disclosed from time to time in subsequent reports filed with the SEC, those described under "Item 1A—Risk Factors" included in our 2017 Form 10-K and the following, which were derived in part from the risks set forth in "Item 1A—Risk Factors" of our 2017 Form 10-K:

- *any claims, investigations or proceedings arising as a result of the restatement in 2015 of our previously issued financial results;*
- *our ability to remediate the material weaknesses in our internal controls over financial reporting;*
- *levels of travel demand, particularly with respect to airline passenger traffic in the United States and in global markets;*
- *the effect of our separation of our vehicle and equipment rental businesses, any failure by Herc Holdings Inc. to comply with the agreements entered into in connection with the separation and our ability to obtain the expected benefits of the separation;*
- *significant changes in the competitive environment and the effect of competition in our markets on rental volume and pricing, including on our pricing policies or use of incentives;*

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

- *occurrences that disrupt rental activity during our peak periods;*
- *increased vehicle costs due to declines in the value of our non-program vehicles;*
- *our ability to purchase adequate supplies of competitively priced vehicles and risks relating to increases in the cost of the vehicles we purchase;*
- *our ability to accurately estimate future levels of rental activity and adjust the number and mix of vehicles used in our rental operations accordingly;*
- *our ability to maintain sufficient liquidity and the availability to us of additional or continued sources of financing for our revenue earning vehicles and to refinance our existing indebtedness;*
- *our ability to adequately respond to changes in technology and customer demands;*
- *our access to third-party distribution channels and related prices, commission structures and transaction volumes;*
- *an increase in our vehicle costs or disruption to our rental activity, particularly during our peak periods, due to safety recalls by the manufacturers of our vehicles;*
- *a major disruption in our communication or centralized information networks;*
- *financial instability of the manufacturers of our vehicles;*
- *any impact on us from the actions of our franchisees, dealers and independent contractors;*
- *our ability to sustain operations during adverse economic cycles and unfavorable external events (including war, terrorist acts, natural disasters and epidemic disease);*
- *shortages of fuel and increases or volatility in fuel costs;*
- *our ability to successfully integrate acquisitions and complete dispositions;*
- *our ability to maintain favorable brand recognition and a coordinated and comprehensive branding and portfolio strategy;*
- *costs and risks associated with litigation and investigations;*
- *risks related to our indebtedness, including our substantial amount of debt, our ability to incur substantially more debt, the fact that substantially all of our consolidated assets secure certain of our outstanding indebtedness and increases in interest rates or in our borrowing margins;*
- *our ability to meet the financial and other covenants contained in our Senior Facilities and the Letter of Credit Facility, our outstanding unsecured Senior Notes, our outstanding Senior Second Priority Secured Notes and certain asset-backed and asset-based arrangements;*
- *changes in accounting principles, or their application or interpretation, and our ability to make accurate estimates and the assumptions underlying the estimates, which could have an effect on operating results;*
- *risks associated with operating in many different countries, including the risk of a violation or alleged violation of applicable anticorruption or antibribery laws and our ability to repatriate cash from non-U.S. affiliates without adverse tax consequences;*
- *our ability to prevent the misuse or theft of information we possess, including as a result of cyber security breaches and other security threats;*
- *our ability to successfully implement our information technology and finance transformation programs;*
- *changes in the existing, or the adoption of new laws, regulations, policies or other activities of governments, agencies and similar organizations, such as the Tax Cuts and Jobs Act, where such actions may affect our operations, the cost thereof or applicable tax rates;*
- *changes to our senior management team and the dependence of our business operations on our senior management team;*

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

- *the effect of tangible and intangible asset impairment charges;*
- *our exposure to uninsured claims in excess of historical levels;*
- *fluctuations in interest rates and commodity prices;*
- *our exposure to fluctuations in foreign currency exchange rates; and*
- *other risks and uncertainties described from time to time in periodic and current reports that we file with the SEC.*

You should not place undue reliance on forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a variety of market risks, including the effects of changes in interest rates (including credit spreads), foreign currency exchange rates and fluctuations in fuel prices. We manage our exposure to these market risks through our regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. Derivative financial instruments are viewed as risk management tools and have not been used for speculative or trading purposes. In addition, derivative financial instruments are entered into with a diversified group of major financial institutions in order to manage our exposure to counterparty nonperformance on such instruments.

There have been no material changes to the information reported under Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," included in our 2017 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

HERTZ GLOBAL

Evaluation of Disclosure Controls and Procedures

Our senior management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined under Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of June 30, 2018, due to the identification of material weaknesses in our internal control over financial reporting, as further described in Item 9A of our 2017 Form 10-K, our disclosure controls and procedures were not effective to provide reasonable assurance that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

During the three months ended June 30, 2018, we have taken, and continue to take, the actions described below to remediate our existing material weaknesses which have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Risk Assessment

To address the risk assessment material weakness, during the three months ended June 30, 2018, management completed the design and implementation of several internal controls over financial reporting to respond to the risks of material misstatement over financial reporting.

IT Systems

To address the material weakness associated with controls over IT, management performed the following during the three months ended June 30, 2018: (i) implemented enhanced controls to monitor developers' access to production, (ii) implemented enhanced control activities related to access and monitoring of critical jobs, (iii) continued training for control owners regarding risks, controls and maintaining adequate evidence of review and (iv) hired additional resources to monitor compliance with policies, procedures and controls.

Income Taxes

To address the material weakness associated with controls over the analysis and assessment of income tax effects related to non-recurring transactions, the provision for income taxes and state deferred tax asset valuation allowances, during the three months ended June 30, 2018 management enhanced and designed specific quarterly control activities to assess the accounting for significant complex transactions and other tax related judgments.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

ITEM 4. CONTROLS AND PROCEDURES (CONTINUED)

To remediate our existing material weaknesses, we require additional time to complete the implementation of our remediation plans and demonstrate the effectiveness of our remediation efforts. The material weaknesses cannot be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

HERTZ

Our senior management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined under Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of June 30, 2018, due to the identification of material weaknesses in our internal control over financial reporting, as further described in Item 9A of our 2017 Form 10-K, our disclosure controls and procedures were not effective to provide reasonable assurance that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

During the three months ended June 30, 2018, we have taken, and continue to take, the actions described below to remediate our existing material weaknesses which have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Risk Assessment

To address the risk assessment material weakness, during the three months ended June 30, 2018, management completed the design and implementation of several internal controls over financial reporting to respond to the risks of material misstatement over financial reporting.

IT Systems

To address the material weakness associated with controls over IT, management performed the following during the three months ended June 30, 2018: (i) implemented enhanced controls to monitor developers' access to production, (ii) implemented enhanced control activities related to access and monitoring of critical jobs, (iii) continued training for control owners regarding risks, controls and maintaining adequate evidence of review and (iv) hired additional resources to monitor compliance with policies, procedures and controls.

Income Taxes

To address the material weakness associated with controls over the analysis and assessment of income tax effects related to non-recurring transactions, the provision for income taxes and state deferred tax asset valuation allowances, during the three months ended June 30, 2018 management enhanced and designed specific quarterly control activities to assess the accounting for significant complex transactions and other tax related judgments.

Our remediation efforts were ongoing during the three months ended June 30, 2018. To remediate our existing material weaknesses, we require additional time to complete the implementation of our remediation plans and demonstrate the effectiveness of our remediation efforts. The material weaknesses cannot be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

**HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES**

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of certain pending legal proceedings see Part I, Item 1, Note 11, "Contingencies and Off-Balance Sheet Commitments," to the Notes to our unaudited condensed consolidated financial statements included in this Report.

ITEM 1A. RISK FACTORS

There are no material amendments or additions to the information reported under Part I, Item 1A "Risk Factors" contained in our 2017 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a) Exhibits:

The attached list of exhibits in the "Exhibit Index" immediately following the signature page to this Report on is filed as part of this Form 10-Q and is incorporated herein by reference in response to this item.

**HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES**

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 6, 2018

HERTZ GLOBAL HOLDINGS, INC.
THE HERTZ CORPORATION
(Registrants)

By: /s/ THOMAS C. KENNEDY

Thomas C. Kennedy
Senior Executive Vice President and Chief Financial Officer

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

EXHIBIT INDEX

Exhibit Number		Description
10.2.10	Hertz Holdings Hertz	Form of Employee Stock Option Agreement under the 2016 Omnibus Incentive Plan (Incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K/A of Hertz Global Holdings, Inc. (File No. 001-37665) and The Hertz Corporation (File No. 001-07541), as filed on March 7, 2017).
10.2.11	Hertz Holdings Hertz	Form of Restricted Stock Agreement under the 2016 Omnibus Incentive Plan (Incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K/A of Hertz Global Holdings, Inc. (File No. 001-37665) and The Hertz Corporation (File No. 001-07541), as filed on March 7, 2017).
10.2.12	Hertz Holdings Hertz	Form of Performance Stock Agreement (EBITDA Award) under the 2016 Omnibus Incentive Plan (Incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K/A of Hertz Global Holdings, Inc. (File No. 001-37665) and The Hertz Corporation (File No. 001-07541), as filed on March 7, 2017).
10.2.13	Hertz Holdings Hertz	Form of Performance Stock Agreement (Donlen EBITDA Award) under the 2016 Omnibus Incentive Plan (Incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K/A of Hertz Global Holdings, Inc. (File No. 001-37665) and The Hertz Corporation (File No. 001-07541), as filed on March 7, 2017).
10.2.14	Hertz Holdings Hertz	Form of Performance Stock Unit Agreement under the 2016 Omnibus Incentive Plan (EBITDA)
10.2.15	Hertz Holdings Hertz	Form of Director Restricted Stock Unit Agreement under the 2016 Omnibus Incentive Plan
10.2.16	Hertz Holdings Hertz	Form of Restricted Stock Unit Agreement under the 2016 Omnibus Incentive Plan (Pro Rata)
10.2.17	Hertz Holdings Hertz	Form of Restricted Stock Unit Agreement under the 2016 Omnibus Incentive Plan (Revenue)
10.2.18	Hertz Holdings Hertz	Form of Employee Stock Option Agreement under the 2016 Omnibus Incentive Plan
31.1	Hertz Holdings	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).*
31.2	Hertz Holdings	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).*
31.3	Hertz	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).*
31.4	Hertz	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).*
32.1	Hertz Holdings	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.*
32.2	Hertz Holdings	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.*
32.3	Hertz	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.*
32.4	Hertz	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.*
101.INS	Hertz Holdings Hertz	XBRL Instance Document*
101.SCH	Hertz Holdings Hertz	XBRL Taxonomy Extension Schema Document*
101.CAL	Hertz Holdings Hertz	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Hertz Holdings Hertz	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Hertz Holdings Hertz	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Hertz Holdings Hertz	XBRL Taxonomy Extension Presentation Linkbase Document*

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

*Furnished herewith

Note: Certain instruments with respect to various additional obligations, which could be considered as long-term debt, have not been filed as exhibits to this Report because the total amount of securities authorized under any such instrument does not exceed 10% of our total assets on a consolidated basis. We agree to furnish to the SEC upon request a copy of any such instrument defining the rights of the holders of such long-term debt.

PERFORMANCE STOCK UNIT AGREEMENT

THIS PERFORMANCE STOCK UNIT AGREEMENT (the "Agreement") is entered into by and between Hertz Global Holdings, Inc., a Delaware corporation (the "Company"), and the Participant (defined hereafter) pursuant to the Hertz Global Holdings, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan"), in combination with a 2018 Long Term Incentive Award Summary (or applicable portion thereof) (the "Award Summary"). The Award Summary, which identifies the person to whom the performance stock units are granted (the "Participant") and specifies the date of grant of this Award (the "Grant Date") and other details of this Award, and the electronic acceptance of this Agreement, are incorporated herein by reference.

1. Grant and Acceptance of Performance Stock Units. The Company hereby evidences and confirms its grant to the Participant, effective as of the Grant Date, of the target number of performance stock units (the "Performance Stock Units") set forth on the Award Summary (the "Grant Target Number") and which shall be subject to the terms and conditions of the Plan and this Agreement, including the adjustments as provided in this Agreement (including, without limitation, Section 2(c)(ii)). The Participant must accept this Award within ninety (90) days after notification that the Award is available for acceptance and in accordance with the instructions provided by the Company. The Award may be rescinded upon the action of the Company, in its sole discretion, if the Award is not accepted within ninety (90) days after notification is sent to the Participant indicating availability for acceptance.

This Agreement is subordinate to, and the terms and conditions of the Performance Stock Units granted hereunder are subject to, the terms and conditions of the Plan, which are incorporated by reference herein. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, except as expressly provided herein, the terms of the Plan shall govern. If there is any inconsistency between the terms of this Agreement and the terms of the Award Summary, the terms of this Agreement shall govern. Any capitalized terms used herein without definition shall have the meanings set forth in the Plan.

2. Vesting of Performance Stock Units.

(a) Generally. Except as otherwise provided in this Section 2, the Restriction Period applicable to the Performance Stock Units shall lapse, if at all, as to the target number of Performance Stock Units subject to this Agreement (as specified on the Award Summary and as may have been modified by this Agreement (including, without limitation, Section 2(c)(ii))) multiplied by the Final Target Adjustment Percentage (as defined in Exhibit A), as of the later of the Certification Date (as defined in Section 3(a)) and the third anniversary of the Grant Date (the "Vesting Date"), subject to (X) the continued employment of the Participant by the Company or any Subsidiary thereof through the third anniversary of the Grant Date (except as otherwise provided under Section (2)(c)(ii)), (Y) the achievement of the performance criteria established by the Committee pursuant to the Plan for the Performance Stock Units for the applicable Performance Periods (as defined in Exhibit A) and set forth at the end of this Agreement (the "Performance Criteria") and (Z) the Committee's certification of the

achievement of the Performance Criteria and Final Target Adjustment Percentage in accordance with Section 3(a).

Performance Stock Units that cease to be subject to the Restriction Period in accordance with the prior paragraph shall be settled as provided in Section 3. To the extent the Restriction Period of any Performance Stock Units subject to this Agreement does not lapse as of the Vesting Date as provided above, such Performance Stock Units shall immediately be forfeited and canceled.

(b) Forfeiture Due to Performance Criteria Non-Achievement. If the Committee certifies on the Certification Date that the Performance Criteria have not been achieved and/or the Final Target Adjustment Percentage is 0%, all Performance Stock Units subject to this Agreement shall immediately be forfeited and canceled.

(c) Termination of Employment.

(i) Death or Disability. If the Participant's employment is terminated due to death or Disability prior to the third anniversary of the Grant Date, the Restriction Period shall lapse immediately upon such termination with respect to a portion of the Performance Stock Units subject to this Agreement equal to the Grant Target Number multiplied by a fraction, the numerator of which is the number of full completed months elapsed since the Grant Date, and the denominator of which is 36. Such Performance Stock Units shall be settled as provided in Section 3. Any Performance Stock Units still subject to restriction after giving effect to the preceding sentences shall immediately be forfeited and canceled effective as of the date of the Participant's termination.

(ii) Retirement. If the Participant's employment is terminated due to Retirement prior to the third anniversary of the Grant Date, then a portion of the Performance Stock Units subject to this Agreement shall be retained, with such portion being retained equal to the Grant Target Number multiplied by a fraction, the numerator of which is the number of full completed months elapsed since the Grant Date, and the denominator of which is 36. Such portion retained shall be the target number of Performance Stock Units under this Agreement thereafter, and the remaining portion of Performance Stock Units shall be forfeited and cancelled as of the date of the Participant's termination. The retained portion of Performance Stock Units shall remain subject to the other terms of this Agreement (including, without limitation, the provisions of Sections 2(a) and 2(b)); provided, however, such Participant shall be deemed to meet the requirements of clause (X) of Section 2(a).

(iii) Any Other Reason. If the Participant's employment terminates (whether by the Participant or by the Company or a Subsidiary) for any reason other than death or Disability prior to the third anniversary of the Grant Date, and subject to Section 2(c)(ii), any outstanding Performance Stock Units shall immediately be forfeited and canceled effective as of the date of the Participant's termination.

(d) Change in Control.

(i) In General. Subject to Section 2(d)(ii), in the event of a Change in Control, the Restriction Period applicable to any outstanding Performance Stock Units shall lapse immediately prior to such Change in Control and shall be settled as set forth in Section 3 (with any Performance Criteria applicable to Performance Periods that are incomplete as of the Change in Control deemed satisfied at the greater of actual performance at the time of the Change in Control and the target level).

(ii) Alternative Awards. Notwithstanding Section 2(d)(i), no cancellation, termination, lapse of Restriction Period or settlement or other payment shall occur with respect to the Performance Stock Units if the Committee (as constituted immediately prior to the Change in Control) reasonably determines prior to the Change in Control that the Performance Stock Units shall be honored or assumed or new rights substituted therefor by an Alternative Award, in accordance with the terms of Section 9.2 of the Plan; provided, however, notwithstanding anything in the Plan to the contrary, any such Alternative Award shall vest in full (with any Performance Criteria applicable to Performance Periods that are incomplete as of the Participant's termination deemed satisfied at the greater of actual performance at the time of the Change in Control and the target level) if the Participant's employment is terminated by the Company without Cause within two years following a Change in Control.

(iii) Definitions. For purposes of this Agreement, and notwithstanding anything in the Plan to the contrary, "Change in Control" means the first occurrence of any of the following events after the Grant Date:

- A) the acquisition by any person, entity or "group" (as defined in Section 13(d) of the Exchange Act), other than the Company, the Subsidiaries, any employee benefit plan of the Company or the Subsidiaries, or any Permitted Holder, of 50% or more of the combined voting power of the Company's then outstanding voting securities;
- B) within any 24-month period, the Incumbent Directors shall cease to constitute at least a majority of the Board or the board of directors of any successor to the Company; provided that any director elected to the Board, or nominated for election, by a majority of the Incumbent Directors then still in office shall be deemed to be an Incumbent Director for purposes of this clause (B);
- C) the merger or consolidation of the Company as a result of which persons who were owners of the voting securities of the Company immediately prior to such merger or consolidation, or any Permitted Holder, do not, immediately thereafter, own, directly or indirectly, more than 50% of the combined voting power entitled to vote generally in the election of directors of the merged or consolidated company;

- D) the approval by the Company's shareholders of the liquidation or dissolution of the Company other than a liquidation of the Company into any Subsidiary or a liquidation a result of which persons who were stockholders of the Company immediately prior to such liquidation, or any Permitted Holder, own, directly or indirectly, more than 50% of the combined voting power entitled to vote generally in the election of directors of the entity that holds substantially all of the assets of the Company following such event; or
- E) the sale, transfer or other disposition of all or substantially all of the assets of the Company to one or more persons or entities that are not, immediately prior to such sale, transfer or other disposition, affiliates of the Company or any Permitted Holder.

Notwithstanding the foregoing, a "Change in Control" for purposes of this Agreement shall not be deemed to occur if the Company files for bankruptcy, liquidation or reorganization under the United States Bankruptcy Code.

For purposes of the foregoing:

- A) "Permitted Holder" means the Related Parties and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members.
- B) "Principal" means Carl Icahn.
- C) "Related Party" or "Related Parties" means (1) the Principal and his siblings, his and their respective spouses and descendants (including stepchildren and adopted children) and the spouses of such descendants (including stepchildren and adopted children) (collectively, the "Family Group"); (2) any trust, estate, partnership, corporation, company, limited liability company or unincorporated association or organization (each an "Entity" and collectively "Entities") controlled by (to be interpreted consistent with the definition of "Affiliate") one or more members of the Family Group; (3) any Entity over which one or more members of the Family Group, directly or indirectly, have rights that legally enable them to make or veto significant management decisions with respect to such Entity, whether pursuant to the constituent documents of such Entity, by contract, through representation on a board of directors or other governing body of such Entity or in any other manner (such rights hereinafter referred to as "Veto Power"); (4) the estate of any member of the Family Group; (5) any trust created (in whole or in part) by any one or more members of the Family Group; (6) any individual or Entity who receives an interest in any estate or trust listed in clauses (4) or (5), to the extent of such interest; (7) any trust or estate, substantially all the beneficiaries of

which (other than charitable organizations or foundations) consist of one or more members of the Family Group; (8) any organization described in Section 501(c) of the Code, over which any one or more members of the Family Group and the trusts and estates listed in clauses (4), (5) and (7) have direct or indirect Veto Power, or to which they are substantial contributors (as such term is defined in Section 507 of the Code); (9) any organization described in Section 501(c) of the Code of which a member of the Family Group is an officer, director or trustee; or (10) any Entity, directly or indirectly (i) owned or controlled by (to be interpreted consistent with the definition of “Affiliate”) or (ii) a majority of the economic interests in which are owned by, or are for or accrue to the benefit of, in either case, any Person or Persons identified in clauses (1) through (9) above.

3. Certification and Settlement of Performance Stock Units.

(a) Certification. As soon as administratively feasible in the calendar year after the end of the Three Year Performance Period (as defined in Exhibit A), the Committee shall certify, in writing, whether or not, and to what extent, the Performance Criteria have been achieved and the Final Target Adjustment Percentage. The date on which the Committee makes such certification is referred to herein as the “Certification Date”.

(b) Settlement. Subject to the following sentence, not later than the 30th day following the date on which the lapse of the Restriction Period occurs with respect to any Performance Stock Units, the Company shall issue to the Participant one share of Common Stock underlying each Performance Stock Unit as to which the Restriction Period has lapsed (or, if determined by the Committee in its sole discretion, cash equal to the Fair Market Value of such shares of Common Stock or any combination of shares of Common Stock and cash having an aggregate Fair Market Value equal to such number of shares of Common Stock). Notwithstanding the preceding sentence, if the Restriction Period applicable to any Performance Stock Units which constitutes “deferred compensation” subject to Section 409A of the Code lapses as a result of a Change in Control that does not qualify as a “change in the ownership or effective control” of the Company or “in the ownership of a substantial portion of the assets” of the Company within the meaning of Section 409A of the Code, then the Company shall not settle such Performance Stock Units until the 30th day following the earlier of (i) the Participant’s termination of employment and (ii) the originally scheduled Vesting Date of such Performance Stock Units. For the avoidance of doubt, the preceding two sentences are subject to Section 8(g) of this Agreement and Section 11.9 of the Plan. Upon issuance, such shares of Common Stock may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated in compliance with all applicable law, this Agreement and any other agreement to which such shares are subject. The Participant’s settlement rights pursuant to this Agreement shall be no greater than the right of any unsecured general creditor of the Company.

4. Forfeiture. Notwithstanding anything in the Plan or this Agreement to the contrary, if, during the Covered Period, the Participant engages in Wrongful Conduct, then any Performance

Stock Units for which the Restriction Period has not then lapsed shall automatically be forfeited and cancelled effective as of the date on which the Participant first engaged in such Wrongful Conduct. If the Participant engages in Wrongful Conduct or if the Participant's employment is terminated for Cause, the Participant shall pay to the Company in cash any Performance-Based Financial Gain the Participant realized from the lapse of the Restriction Period applicable to all or a portion of the Performance Stock Units with respect to which the Restriction Period lapsed within the Wrongful Conduct Period. By entering into this Agreement, the Participant hereby consents to and authorizes the Company and the Subsidiaries to deduct from any amounts payable by such entities to the Participant any amounts the Participant owes to the Company under this Section 4 to the extent permitted by law. This right of set-off is in addition to any other remedies the Company may have against the Participant for the Participant's breach of this Section 4. The Participant's obligations under this Section 4 shall be cumulative of any similar obligations the Participant has under the Plan, this Agreement, any Company policy, standard or code (including, without limitation, the Company's Standards of Business Conduct), or any other agreement with the Company or any Subsidiary.

5. Effect of Financial Restatements. If the Company restates any of its financial statements, then the Committee may require any or all of the following:

(a) that the Participant forfeit some or all of the Performance Stock Units subject to this Agreement held by the Participant at the time of such restatement,

(b) that the Participant forfeit (or pay or return to the Company) some or all of the cash or the shares of Common Stock held by the Participant at the time of such restatement that had been received within the three-year period prior to the date that the Company is required to prepare a financial restatement in settlement of any Performance Stock Units subject to this Agreement to the extent that such cash or shares would not have been paid had the applicable financial results been reported accurately, and

(c) that the Participant pay to the Company in cash all or a portion of the proceeds that the Participant realized from the sale of shares of Common Stock that had been received within the three-year period prior to the date that the Company is required to prepare a financial restatement in settlement of any Performance Stock Units subject to this Agreement to the extent that such shares would not have been paid had the applicable financial results been reported accurately.

Notwithstanding the foregoing, in the event that the Committee determines that the rules and regulations implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act require a longer or different clawback time period than the three-year period contemplated by Sections 5(b) and (c), or terms and conditions other than those reflected in this Section 5, such three-year period shall be deemed extended (but not reduced), and/or such other terms and conditions modified, to the extent necessary to be consistent with such rules and regulations.

6. Issuance of Shares.

(a) Notwithstanding any other provision of this Agreement, the Participant may not sell or transfer the shares of Common Stock acquired upon settlement of the Performance Stock Units except in compliance with all applicable laws and regulations.

(b) The shares of Common Stock issued in settlement of the Performance Stock Units shall be registered in the Participant's name, or, if applicable, in the names of the Participant's heirs or estate. In the Company's discretion, such shares may be issued either in certificated form or in uncertificated, book entry form. The certificate or book entry account shall bear such restrictive legends or restrictions as the Company, in its sole discretion, shall require. If delivered in certificated form, the Company may deliver a share certificate to the Participant or to the Participant's designated broker on the Participant's behalf. If the Participant is deceased (or if Disabled and if necessary) at the time that a delivery of share certificates is to be made, the certificates shall be delivered to the Participant's estate, executor, administrator, legally authorized guardian or personal representative (as applicable).

(c) To the extent permitted by Section 409A of the Code, the grant of the Performance Stock Units and issuance of shares of Common Stock upon settlement of the Performance Stock Units shall be subject to and in compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Performance Stock Units shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. To the extent permitted by Section 409A of the Code, as a condition to the settlement of the Performance Stock Units, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

(d) The Company shall not be required to issue fractional shares of Common Stock upon settlement of the Performance Stock Units.

(e) To the extent permitted by Section 409A of the Code, the Company may postpone the issuance and delivery of any shares of Common Stock provided for under this Agreement for so long as the Company determines to be necessary or advisable to satisfy the following: (1) the completion or amendment of any registration of such shares or satisfaction of any exemption from registration under any securities law, rule, or regulation; (2) compliance with any requests for representations; and (3) receipt of proof satisfactory to the Company that a person seeking such shares on the Participant's behalf upon the Participant's Disability (if necessary), or upon the Participant's estate's behalf after the death of the Participant, is appropriately authorized.

7. Participant's Rights with Respect to the Performance Stock Units.

(a) Restrictions on Transferability. The Performance Stock Units granted hereby may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated other than with the consent of the Company or by will or by the laws of descent and distribution to the estate of the Participant upon the Participant's death; provided that any such permitted transferee shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan as if such beneficiary or the estate were the Participant. Any attempt by the Participant, directly or indirectly, to offer, transfer, sell, pledge, hypothecate or otherwise dispose of any Performance Stock Units or any interest therein or any rights relating thereto without complying with the provisions of the Plan and this Agreement, including this Section 7(a), shall be void and of no effect. The Company shall not be required to recognize on its books any action taken in contravention of these restrictions.

(b) No Rights as Stockholder. The Participant shall not have any rights as a stockholder of the Company with respect to any shares of Common Stock corresponding to the Performance Stock Units granted hereby unless and until shares of Common Stock are issued to the Participant in respect thereof.

8. Miscellaneous.

(a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Company or the Participant without the prior written consent of the other party, for the avoidance of doubt, in the case of the Company, subject to Section 4.4 and Article IX of the Plan.

(c) No Right to Continued Employment. Nothing in the Plan or this Agreement shall interfere with or limit in any way the right of the Company or any of its Subsidiaries to terminate the Participant's employment at any time, or confer upon the Participant any right to continue in the employ of the Company or any of its Subsidiaries (regardless of whether such termination results in (i) the failure of any Award to vest; (ii) the forfeiture of any unvested or vested portion of any Award; and/or (iii) any other adverse effect on the individual's interests under the Plan). Nothing in the Plan or this Agreement shall confer on the Participant the right to receive any future Awards under the Plan.

(d) Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or express mail, return receipt requested, postage prepaid, or by any recognized international equivalent of such delivery, to the Company or the Participant, as

the case may be, at the following addresses or to such other address as the Company or the Participant, as the case may be, shall specify by notice to the other:

If to the Company, to it at:

Hertz Global Holdings, Inc.
8501 Williams Road
Estero, Florida 33928
Attention: General Counsel
Fax: (239) 301-6906

If to the Participant, to the Participant at his or her most recent address as shown on the books and records of the Company or Subsidiary employing the Participant.

All such notices and communications shall be deemed to have been received on the date of delivery if delivered personally or on the third business day after the mailing thereof.

(e) Amendment. This Agreement may be amended from time to time by the Committee in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a material adverse effect on the Performance Stock Units as determined in the discretion of the Committee, except as provided in the Plan, or with the consent of the Participant. This Agreement may not be amended, modified or supplemented orally.

(f) Interpretation. The Committee shall have full power and discretion to construe and interpret the Plan (and any rules and regulations issued thereunder) and this Award. Any determination or interpretation by the Committee under or pursuant to the Plan or this Award shall be final and binding and conclusive on all persons affected hereby.

(g) Tax Withholding; Section 409A.

(i) The Company shall have the right and power to deduct from all amounts paid to the Participant in cash or shares (whether under the Plan or otherwise) or to require the Participant to remit to the Company promptly upon notification of the amount due, an amount (which may include shares of Common Stock) to satisfy the minimum federal, state or local or foreign taxes or other obligations required by law to be withheld with respect to the Performance Stock Units. No shares of Common Stock shall be issued unless and until arrangements satisfactory to the Committee shall have been made to satisfy the statutory minimum withholding tax obligations applicable with respect to such Performance Stock Units. To the extent permitted by Section 409A of the Code, the Company may defer payments of cash or issuance or delivery of Common Stock until such requirements are satisfied. Without limiting the generality of the foregoing, the Participant may elect to tender shares of Common Stock (including shares of Common Stock issuable in respect of the Performance Stock Units) to satisfy, in whole or in part, the amount required to be withheld (provided that such amount shall not be in excess of the minimum amount required to satisfy the statutory withholding tax obligations).

(ii) It is intended that the provisions of this Agreement comply with Section 409A of the Code to the extent applicable, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A and any similar state or local law.

(h) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware regardless of the application of rules of conflict of law that would apply the laws of any other jurisdiction.

(i) Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation. By entering into this Agreement and accepting the Performance Stock Units evidenced hereby, the Participant acknowledges: (i) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (ii) that the Award does not create any contractual or other right to receive future grants of Awards; (iii) that participation in the Plan is voluntary; (iv) that the value of the Performance Stock Units is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; and (v) that the future value of the Common Stock is unknown and cannot be predicted with certainty.

(j) Employee Data Privacy. The Participant authorizes any Affiliate of the Company that employs the Participant or that otherwise has or lawfully obtains personal data relating to the Participant to divulge or transfer such personal data to the Company or to a third party, in each case in any jurisdiction, if and to the extent appropriate in connection with this Agreement or the administration of the Plan.

(k) Consent to Electronic Delivery. By entering into this Agreement and accepting the Performance Stock Units evidenced hereby, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, this Agreement and the Performance Stock Units via Company web site or other electronic delivery.

(l) Clawback or Compensation Recovery Policy. Without limiting any other provision of this Agreement, and to the extent applicable, the Performance Stock Units granted hereunder shall be subject to any clawback policy or compensation recovery policy or such other similar policy of the Company in effect from time to time.

(m) Company Rights. The existence of the Performance Stock Units does not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, including that of its Affiliates, or any merger or consolidation of the Company or any Affiliate, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of the Company's or any Affiliate's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(n) Severability. If a court of competent jurisdiction determines that any portion of this Agreement is in violation of any statute or public policy, then only the portions of this Agreement which violate such statute or public policy shall be stricken, and all portions of this Agreement which do not violate any statute or public policy shall continue in full force and effect. Further, it is the parties' intent that any court order striking any portion of this Agreement should modify the terms as narrowly as possible to give as much effect as possible to the intentions of the parties' under this Agreement.

(o) Further Assurances. The Participant agrees to use his or her reasonable and diligent best efforts to proceed promptly with the transactions contemplated herein, to fulfill the conditions precedent for the Participant's benefit or to cause the same to be fulfilled and to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated herein.

(p) Headings and Captions. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(q) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

Exhibit A – Performance Criteria

One Year Performance Period:	January 1, 2018 through December 31, 2018
One Year Performance Criteria:	2018 Corporate EBITDA*
Two Year Performance Period:	January 1, 2018 through December 31, 2019
Two Year Performance Criteria:	2018 & 2019 Corporate EBITDA*
Three Year Performance Period:	January 1, 2018 through December 31, 2020
Three Year Performance Criteria:	2018, 2019 & 2020 Corporate EBITDA*

One Year Performance Determination. Based on the One Year Performance Period and One Year Performance Criteria, the “One Year Adjustment Percentage” shall equal 25% multiplied by the One Year Multiplier below:

	<u>Description (\$MM)</u>	<u>One Year Multiplier</u>
Threshold	\$	50%
Target	\$	100%

Two Year Performance Determination. Based on the Two Year Performance Period and Two Year Performance Criteria, the “Two Year Adjustment Percentage” shall equal 50% multiplied by the Two Year Multiplier below (provided, however, that the Two Year Adjustment Percentage shall in no event be lower than the One Year Adjustment Percentage):

	<u>Description (\$MM)</u>	<u>Two Year Multiplier</u>
Threshold	\$	50%
Target	\$	100%

Three Year Performance Determination. Based on the Three Year Performance Period and Three Year Performance Criteria, the “Final Target Adjustment Percentage” shall equal the Three Year Multiplier below (provided, however, that the Final Target Adjustment Percentage shall in no event be lower than the Two Year Adjustment Percentage; provided, further, that the Committee may, at the time of certification, reduce the Final Target Adjustment Percentage to such percentage as the Committee may determine in its sole discretion):

	<u>Description (\$MM)</u>	<u>Three Year Multiplier</u>
Threshold	\$	50%
Target	\$	100%
Maximum	\$	150%

General Rules to the Above Determinations. For performance below the level described in the threshold, the applicable multiplier shall be 0%. For performance above the level described in the target in the case of the One Year Performance Determination and the Two Year Performance Determination, the applicable multiplier remains the same as provided above with respect to the target. For performance above the level described in the maximum in the case of the Three Year Performance Determination, the applicable multiplier remains the same as provided above with respect to the maximum. Linear interpolation will be used to determine the applicable multiplier

for all intermediary points. The Performance Stock Units remain subject to all other provisions (including, without limitation, any applicable adjustment, vesting and settlement provisions) of this Agreement and the Plan.

The One Year Performance Period, Two Year Performance Period, and Three Year Performance Period are generally referred to herein as the “Performance Periods”.

* Corporate EBITDA generally refers to Adjusted Corporate EBITDA as disclosed by the Company with respect to the car rental business of the Company, it being understood and agreed that the car rental business of the Company consists of the U.S. Rental Car, International Rental Car and All Other Operations segments of the Company; provided, however, for these purposes, that the determination of the Corporate EBITDA shall exclude the financial effects (including related revenue streams) from the Company’s development activities from new business ventures originating after January 1, 2018 from businesses that are not core to the Company’s traditional rental car business.

Adjustments. Notwithstanding the foregoing, in the event of (i) material acquisitions or dispositions during any Performance Period or (ii) currency fluctuations affecting U.S. dollar denominated Adjusted Corporate EBITDA by 5% or more from January 1, 2018 through the end of the applicable Performance Period, the performance incentive threshold, target and maximum criteria, if and as applicable, and/or the determination of Corporate EBITDA, shall be adjusted in an equitable and proportionate manner as determined by the Committee and in accordance with any applicable provisions of the Plan; provided, further, in the event of any other extraordinary transactions and items during any Performance Period, such criteria and/or the Corporate EBITDA determination may be adjusted by the Committee in accordance with any applicable provisions of the Plan.

RESTRICTED STOCK UNIT AGREEMENT

This RESTRICTED STOCK UNIT AGREEMENT (the “Agreement”), dated as of the Grant Date set forth on the signature page hereof, is entered into by and between Hertz Global Holdings, Inc., a Delaware corporation (the “Company”), and the individual whose name is set forth on the director section of the signature page hereof (the “Director”).

1. Grant of Restricted Stock Units. The Company hereby evidences and confirms its grant to the Director, effective as of the Grant Date, of the number of restricted stock units (the “Restricted Stock Units”) set forth on the signature page hereof. This Agreement is subordinate to, and the terms and conditions of the Restricted Stock Units granted hereunder are subject to, the terms and conditions of the Hertz Global Holdings, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the “Plan”), which are incorporated by reference herein. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, except as expressly provided herein, the terms of the Plan shall govern. This Agreement shall also be subject to the terms of any applicable deferral election made by the Director with respect to the Restricted Stock Units. Any capitalized terms used herein without definition shall have the meanings set forth in the Plan.

2. Vesting of Restricted Stock Units.

(a) Vesting. Except as otherwise provided in this Section 2, the Restriction Period applicable to the Restricted Stock Units shall lapse, if at all, on the first business day immediately preceding the date of the Company’s annual shareholder meeting in 2019 (the “Vesting Date”), subject to the below provisions.

(b) Termination of Services.

(i) Generally. If the Director ceases to serve on the Board of the Company for any reason (except due to termination for Cause by the Company) prior to the Vesting Date, the Restriction Period shall lapse immediately upon such cessation with respect to all Restricted Stock Units. Such Restricted Stock Units shall be settled as provided in Section 3.

(ii) For Cause Cessation. If the Director ceases to serve on the Board of the Company due to termination for Cause by the Company prior to the Vesting Date, all outstanding Restricted Stock Units shall immediately be forfeited and canceled effective as of the date of the Director’s cessation.

(c) Change in Control.

(i) In General. Subject to Section 2(c)(ii), in the event of a Change in Control, the Restriction Period applicable to all outstanding Restricted Stock Units shall lapse immediately prior to such Change in Control and all such Restricted Stock Units shall be settled as set forth in Section 3.

(ii) Alternative Awards. Notwithstanding Section 2(c)(i), no cancellation, termination, lapse of Restriction Period or settlement or other payment shall occur with respect to the Restricted Stock Units if the Committee (as constituted immediately prior to the Change in Control) reasonably determines prior to the Change in Control that the Restricted Stock Units shall be honored or assumed or new rights substituted therefor by an Alternative Award, in accordance with the terms of Section 9.2 of the Plan; provided, however, notwithstanding anything in the Plan to the contrary, any such Alternative Award shall vest in full if the Director's services on the Board of the Company ceases for any reason (except due to termination for Cause by the Company) within two years following the Change in Control.

(iii) Definitions. For purposes of this Agreement, and notwithstanding anything in the Plan to the contrary, "Change in Control" means the first occurrence of any of the following events after the Grant Date:

- (A) the acquisition by any person, entity or "group" (as defined in Section 13(d) of the Exchange Act), other than the Company, the Subsidiaries, any employee benefit plan of the Company or the Subsidiaries, or any Permitted Holder, of 50% or more of the combined voting power of the Company's then outstanding voting securities;
- (B) within any 24-month period, the Incumbent Directors shall cease to constitute at least a majority of the Board or the board of directors of any successor to the Company; provided that any director elected to the Board, or nominated for election, by a majority of the Incumbent Directors then still in office shall be deemed to be an Incumbent Director for purposes of this clause (B);
- (C) the merger or consolidation of the Company as a result of which persons who were owners of the voting securities of the Company immediately prior to such merger or consolidation, or any Permitted Holder, do not, immediately thereafter, own, directly or indirectly, more than 50% of the combined voting

power entitled to vote generally in the election of directors of the merged or consolidated company;

(D) the approval by the Company's shareholders of the liquidation or dissolution of the Company other than a liquidation of the Company into any Subsidiary or a liquidation a result of which persons who were stockholders of the Company immediately prior to such liquidation, or any Permitted Holder, own, directly or indirectly, more than 50% of the combined voting power entitled to vote generally in the election of directors of the entity that holds substantially all of the assets of the Company following such event; or

(E) the sale, transfer or other disposition of all or substantially all of the assets of the Company to one or more persons or entities that are not, immediately prior to such sale, transfer or other disposition, affiliates of the Company or any Permitted Holder.

Notwithstanding the foregoing, a "Change in Control" for purposes of this Agreement shall not be deemed to occur if the Company files for bankruptcy, liquidation or reorganization under the United States Bankruptcy Code.

For purposes of the foregoing:

(A) "Permitted Holder" means the Related Parties and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members.

(B) "Principal" means Carl Icahn.

(C) "Related Party" or "Related Parties" means (1) the Principal and his siblings, his and their respective spouses and descendants (including stepchildren and adopted children) and the spouses of such descendants (including stepchildren and adopted children) (collectively, the "Family Group"); (2) any trust, estate, partnership, corporation, company, limited liability company or unincorporated association or organization (each an "Entity" and collectively "Entities") controlled by (to be interpreted consistent with the definition of "Affiliate") one or more members of the Family Group; (3) any Entity over which one or more members of

the Family Group, directly or indirectly, have rights that legally enable them to make or veto significant management decisions with respect to such Entity, whether pursuant to the constituent documents of such Entity, by contract, through representation on a board of directors or other governing body of such Entity or in any other manner (such rights hereinafter referred to as “Veto Power”); (4) the estate of any member of the Family Group; (5) any trust created (in whole or in part) by any one or more members of the Family Group; (6) any individual or Entity who receives an interest in any estate or trust listed in clauses (4) or (5), to the extent of such interest; (7) any trust or estate, substantially all the beneficiaries of which (other than charitable organizations or foundations) consist of one or more members of the Family Group; (8) any organization described in Section 501(c) of the Code, over which any one or more members of the Family Group and the trusts and estates listed in clauses (4), (5) and (7) have direct or indirect Veto Power, or to which they are substantial contributors (as such term is defined in Section 507 of the Code); (9) any organization described in Section 501(c) of the Code of which a member of the Family Group is an officer, director or trustee; or (10) any Entity, directly or indirectly (i) owned or controlled by (to be interpreted consistent with the definition of “Affiliate”) or (ii) a majority of the economic interests in which are owned by, or are for or accrue to the benefit of, in either case, any Person or Persons identified in clauses (1) through (9) above

(d) Committee Discretion. Notwithstanding anything contained in this Agreement to the contrary, and subject to Section 7(g) of this Agreement and Section 11.9 of the Plan, the Committee, in its sole discretion, may accelerate the vesting with respect to any Restricted Stock Units under this Agreement, at such times and upon such terms and conditions as the Committee shall determine.

3. Settlement of Restricted Stock Units. Subject to other applicable provisions of this Agreement (and any applicable deferral election made by the Director with respect to the Restricted Stock Units), not later than 30 days after the lapse of the Restriction Period (or, as applicable, not later than 30 days after the applicable settlement payment date set forth in a deferral election) with respect to any Restricted Stock Units, the Company shall issue to the Director one share of Common Stock underlying each Restricted Stock Unit as to which the Restriction Period has lapsed, or, if the Committee so determines in its sole discretion, an amount in cash equal to the Fair Market Value of such shares of Common Stock or any combination of shares of Common Stock and cash

having an aggregate Fair Market Value equal to such shares of Common Stock. Notwithstanding the preceding sentence, if the Restriction Period applicable to any Restricted Stock Units which constitutes “deferred compensation” subject to Section 409A of the Code lapses as a result of a Change in Control that does not qualify as a “change in the ownership or effective control” of the Company or “in the ownership of a substantial portion of the assets” of the Company within the meaning of Section 409A of the Code, then the Company shall not settle such Restricted Stock Units until the 30th day following the earlier of (i) the Director’s cessation of Board service and (ii) the originally scheduled settlement payment date of such Restricted Stock Units. For the avoidance of doubt, the preceding two sentences are subject to Section 7(g) of this Agreement and Section 11.9 of the Plan. Upon issuance, such shares of Common Stock may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated in compliance with all applicable law, this Agreement and any other agreement to which such shares are subject. The Director’s settlement rights pursuant to this Agreement shall be no greater than the right of any unsecured general creditor of the Company.

4. Forfeiture. Notwithstanding anything in the Plan or this Agreement to the contrary, if, during the Restriction Period, the Director engages in Wrongful Conduct (as defined herein), then any Restricted Stock Units for which the Restriction Period has not then lapsed (or for which settlement has not yet occurred) shall automatically terminate and be canceled effective as of the date on which the Director first engaged in such Wrongful Conduct. If the Director engages in Wrongful Conduct, the Director shall pay to the Company in cash any Restriction-Based Financial Gain the Director realized from the lapse of the Restriction Period applicable to all or a portion of the Restricted Stock Units with respect to which the Restriction Period lapsed within the Wrongful Conduct Period (as defined herein). By entering into this Agreement, the Director hereby consents to and authorizes the Company and the Subsidiaries to deduct from any amounts payable by such entities to the Director any amounts the Director owes to the Company under this Section 4 to the extent permitted by law. This right of set-off is in addition to any other remedies the Company may have against the Director for the Director's Wrongful Conduct. The Director's obligations under this Section 4 shall be cumulative (but not duplicative) of any similar obligations the Director has under the Plan, this Agreement, any Company policy, standard or code, or any other agreement with the Company or any Subsidiary.

For purposes of this Agreement, and notwithstanding anything in the Plan to the contrary, “Wrongful Conduct” means the breach or violation by the Director of the Company’s Standards of Business Conduct, Corporate Governance Guidelines or Directors’ Code of Business Conduct and Ethics (each as amended from time to time, and including any successor or replacement policy or standard).

For purposes of this Agreement, and notwithstanding anything in the Plan to the contrary, “Wrongful Conduct Period” means the twelve-month period ending on the date of the Participant’s Wrongful Conduct (or such other period as determined by the Committee).

5. Issuance of Shares.

(a) Notwithstanding any other provision of this Agreement, the Director may not sell or transfer the shares of Common Stock acquired upon settlement of the Restricted Stock Units except in compliance with all applicable laws and regulations.

(b) The shares of Common Stock issued in settlement of the Restricted Stock Units shall be registered in the Director’s name, or, if applicable, in the names of the Director’s heirs or estate (or in the name of such other persons or entities provided by the Director and approved by the Committee or Board). In the Company’s discretion, such shares may be issued either in certificated form or in uncertificated, book entry form. The certificate or book entry account shall bear such restrictive legends or restrictions as the Company, in its sole discretion, shall require. If delivered in certificated form, the Company may deliver a share certificate to the Director or to the Director’s designated broker on the Director’s behalf. If the Director is deceased (or if Disabled and if necessary) at the time that a delivery of share certificates is to be made, the certificates shall be delivered to the Director’s estate, executor, administrator, legally authorized guardian or personal representative (as applicable).

(c) To the extent permitted by Section 409A of the Code, the grant of the Restricted Stock Units and issuance of shares of Common Stock upon settlement of the Restricted Stock Units will be subject to and in compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company’s legal counsel to be necessary to the lawful issuance of any shares subject to the Restricted Stock Units shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. To the extent permitted by Section 409A of the Code, as a condition to the settlement of the Restricted Stock Units, the Company may require the Director to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

(d) The Company shall not be required to issue fractional shares of Common Stock upon settlement of the Restricted Stock Units.

(e) To the extent permitted by Section 409A of the Code, the Company may postpone the issuance and delivery of any shares of Common Stock provided for under this Agreement for so long as the Company determines to be necessary or advisable to satisfy the following: (1) the completion or amendment of any registration of such shares or satisfaction of any exemption from registration under any securities law, rule, or regulation; (2) compliance with any requests for representations; and (3) receipt of proof satisfactory to the Company that a person seeking such shares on the Director's behalf upon the Director's Disability (if necessary), or upon the Director's estate's behalf after the death of the Director, is appropriately authorized.

6. Director's Rights with Respect to the Restricted Stock Units.

(a) Restrictions on Transferability. The Restricted Stock Units granted hereby may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated other than with the consent of the Company or by will or by the laws of descent and distribution to the estate of the Director upon the Director's death (or to such other persons or entities as provided under Section 11.1 of the Plan and approved by the Committee or Board); provided that any such permitted transferee shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan as if such permitted transferee were the Director. Any attempt by the Director, directly or indirectly, to offer, transfer, sell, pledge, hypothecate or otherwise dispose of any Restricted Stock Units or any interest therein or any rights relating thereto without complying with the provisions of the Plan and this Agreement, including this Section 6(a), shall be void and of no effect. The Company shall not be required to recognize on its books any action taken in contravention of these restrictions.

(b) No Rights as Stockholder. The Director shall not have any rights as a stockholder of the Company with respect to any shares of Common Stock corresponding to the Restricted Stock Units granted hereby unless and until shares of Common Stock are issued to the Director in respect thereof.

7. Miscellaneous.

(a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or

assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Company or the Director without the prior written consent of the other party. for the avoidance of doubt, in the case of the Company, subject to Section 4.4 and Article IX of the Plan.

(c) No Right to Continued Service on the Board. Nothing in the Plan or this Agreement shall confer upon the Director any right to continue serving on the Board of the Company. This Agreement is not to be construed as a contract of service relationship between the Company and Director. Nothing in the Plan or this Agreement shall confer on the Director the right to receive any future Awards under the Plan. For purposes of determining the status of Director's position on the Board of the "Company" under this Agreement, such term shall include the Company and, to the extent applicable, its Subsidiaries.

(d) Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or express mail, return receipt requested, postage prepaid, or by any recognized international equivalent of such delivery, to the Company or the Director, as the case may be, at the following addresses or to such other address as the Company or the Director, as the case may be, shall specify by notice to the other:

If to the Company, to it at:

Hertz Global Holdings, Inc.
8501 Williams Road
Estero, Florida 33928
Attention: General Counsel
Fax: (239) 301-6906

If to the Director, to the Director at his or her most recent address as shown on the books and records of the Company.

All such notices and communications shall be deemed to have been received on the date of delivery if delivered personally or on the third business day after the mailing thereof.

(e) Amendment. This Agreement may be amended from time to time by the Committee in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a material adverse effect on the Restricted Stock Units as

determined in the discretion of the Committee, except as provided in the Plan, or with the consent of the Director. This Agreement may not be amended, modified or supplemented orally.

(f) Interpretation. The Committee shall have full power and discretion to construe and interpret the Plan (and any rules and regulations issued thereunder) and this Award. Any determination or interpretation by the Committee under or pursuant to the Plan or this Award shall be final and binding and conclusive on all persons affected hereby.

(g) Taxation. The Company or one of its Subsidiaries may require the Director to remit to the Company an amount in cash sufficient to satisfy any applicable U.S. federal, state and local and non-U.S. tax withholding or other similar charges or fees that may arise in connection with the grant, vesting or settlement of the Restricted Stock Units. It is intended that the provisions of this Agreement comply with Section 409A of the Code to the extent applicable, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code and any similar state or local law.

(h) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware regardless of the application of rules of conflict of law that would apply the laws of any other jurisdiction.

(i) Limitation on Rights; No Right to Future Grants. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, the Director acknowledges: (a) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (b) that the Award does not create any contractual or other right to receive future grants of Awards; (c) that participation in the Plan is voluntary; and (d) that the future value of the Common Stock is unknown and cannot be predicted with certainty.

(j) Data Privacy. The Director authorizes the Company or any Affiliate of the Company that has or lawfully obtains personal data relating to the Director to divulge or transfer such personal data to the Company or to a third party, in each case in any jurisdiction, if and to the extent appropriate in connection with this Agreement or the administration of the Plan.

(k) Consent to Electronic Delivery. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, the Director hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Director pursuant to applicable securities laws) regarding the Company

and the Subsidiaries, the Plan, this Agreement and the Restricted Stock Units via Company web site or other electronic delivery.

(l) Claw Back or Compensation Recovery Policy. Without limiting any other provision of this Agreement, and to the extent applicable, the Restricted Stock Units granted hereunder shall be subject to any claw back policy or compensation recovery policy or such other similar policy of the Company as are in effect from time to time with respect to the Director.

(m) Company Rights. The existence of the Restricted Stock Units does not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, including that of its Affiliates, or any merger or consolidation of the Company or any Affiliate, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of the Company's or any Affiliate's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(n) Severability. If a court of competent jurisdiction determines that any portion of this Agreement is in violation of any statute or public policy, then only the portions of this Agreement which violate such statute or public policy shall be stricken, and all portions of this Agreement which do not violate any statute or public policy shall continue in full force and effect. Further, it is the parties' intent that any court order striking any portion of this Agreement should modify the terms as narrowly as possible to give as much effect as possible to the intentions of the parties' under this Agreement.

(o) Further Assurances. The Director agrees to use his or her reasonable and diligent best efforts to proceed promptly with the transactions contemplated herein, to fulfill the conditions precedent for the Director's benefit or to cause the same to be fulfilled and to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated herein.

(p) Headings and Captions. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(q) Counterparts. This Agreement may be executed in any number of counterparts, including by facsimile or electronic signature, each of which shall be

deemed to be an original and all of which together shall constitute one and the same instrument.

[signature page follows]

IN WITNESS WHEREOF, the Company and the Director have executed this Agreement as of [May __, 2018] (the “Grant Date”).

HERTZ GLOBAL HOLDINGS, INC.

By:

Name:

Title:

DIRECTOR

By:

Address of Director:

Restricted Stock Units granted
hereby:

RESTRICTED STOCK UNIT AGREEMENT

THIS RESTRICTED STOCK UNIT AGREEMENT (the "Agreement") is entered into by and between Hertz Global Holdings, Inc., a Delaware corporation (the "Company"), and the Participant (defined hereafter) pursuant to the Hertz Global Holdings, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan"), in combination with a 2018 Long Term Incentive Award Summary (or applicable portion thereof) (the "Award Summary"). The Award Summary, which identifies the person to whom the restricted stock units are granted (the "Participant") and specifies the date of grant of this Award (the "Grant Date") and other details of this Award, and the electronic acceptance of this Agreement, are incorporated herein by reference.

1. Grant and Acceptance of Restricted Stock Units. The Company hereby evidences and confirms its grant to the Participant, effective as of the Grant Date, of the number of restricted stock units (the "Restricted Stock Units") set forth on the Award Summary and which shall be subject to the terms and conditions of the Plan and this Agreement. The Participant must accept this Award within ninety (90) days after notification that the Award is available for acceptance and in accordance with the instructions provided by the Company. The Award may be rescinded upon the action of the Company, in its sole discretion, if the Award is not accepted within ninety (90) days after notification is sent to the Participant indicating availability for acceptance.

This Agreement is subordinate to, and the terms and conditions of the Restricted Stock Units granted hereunder are subject to, the terms and conditions of the Plan, which are incorporated by reference herein. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, except as expressly provided herein, the terms of the Plan shall govern. If there is any inconsistency between the terms of this Agreement and the terms of the Award Summary, the terms of this Agreement shall govern. Any capitalized terms used herein without definition shall have the meanings set forth in the Plan.

2. Vesting of Restricted Stock Units.

(a) Generally. Except as otherwise provided in this Section 2, the Restriction Period applicable to the Restricted Stock Units shall lapse, if at all, in equal one-third increments on the first, second and third anniversaries of the Grant Date (each, a "Vesting Date"), subject to the continued employment of the Participant by the Company or any Subsidiary thereof through the applicable Vesting Date.

(b) Termination of Employment.

(i) Death or Disability. If the Participant's employment is terminated due to death or Disability, the Restriction Period shall lapse immediately upon such termination with respect to all Restricted Stock Units subject to the Restriction Period. Such Restricted Stock Units shall be settled as provided in Section 3.

(ii) Retirement. If the Participant's employment is terminated due to Retirement, the Restriction Period shall lapse immediately upon such termination with respect to a portion of the Restricted Stock Units equal to the number of Restricted Stock Units that would have vested on the next following Vesting Date (assuming the Participant's employment had continued through such Vesting Date) multiplied by a fraction, the numerator of which is the number of full months elapsed since the Tranche Beginning Date (as defined below), and the denominator of which is 12. Such Restricted Stock Units shall be settled as provided in Section 3. Any Restricted Stock Units still subject to restriction after giving effect to the preceding sentences shall immediately be forfeited and canceled effective as of the date of the Participant's termination. The "Tranche Beginning Date" shall be (X) the Grant Date, if the termination of employment occurs prior to the first Vesting Date, or (Y) the most recent prior Vesting Date, if the termination of employment occurs after the first Vesting Date.

(iii) Any Other Reason. If the Participant's employment terminates (whether by the Participant or by the Company or a Subsidiary) for any reason other than death or Disability, and subject to Section 2(b)(ii), any outstanding Restricted Stock Units shall immediately be forfeited and canceled effective as of the date of the Participant's termination.

(c) Change in Control.

(i) In General. Subject to Section 2(c)(ii), in the event of a Change in Control, the Restriction Period applicable to any outstanding Restricted Stock Units shall lapse immediately prior to such Change in Control and shall be settled as set forth in Section 3.

(ii) Alternative Awards. Notwithstanding Section 2(c)(i), no cancellation, termination, lapse of Restriction Period or settlement or other payment shall occur with respect to the Restricted Stock Units if the Committee (as constituted immediately prior to the Change in Control) reasonably determines prior to the Change in Control that the Restricted Stock Units shall be honored or assumed or new rights substituted therefor by an Alternative Award, in accordance with the terms of Section 9.2 of the Plan; provided, however, notwithstanding anything in the Plan to the contrary, any such Alternative Award shall vest in full

if the Participant's employment is terminated by the Company without Cause within two years following a Change in Control.

(iii) Definitions. For purposes of this Agreement, and notwithstanding anything in the Plan to the contrary, "Change in Control" means the first occurrence of any of the following events after the Grant Date:

- (A) the acquisition by any person, entity or "group" (as defined in Section 13(d) of the Exchange Act), other than the Company, the Subsidiaries, any employee benefit plan of the Company or the Subsidiaries, or any Permitted Holder, of 50% or more of the combined voting power of the Company's then outstanding voting securities;
- (B) within any 24-month period, the Incumbent Directors shall cease to constitute at least a majority of the Board or the board of directors of any successor to the Company; provided that any director elected to the Board, or nominated for election, by a majority of the Incumbent Directors then still in office shall be deemed to be an Incumbent Director for purposes of this clause (B);
- (C) the merger or consolidation of the Company as a result of which persons who were owners of the voting securities of the Company immediately prior to such merger or consolidation, or any Permitted Holder, do not, immediately thereafter, own, directly or indirectly, more than 50% of the combined voting power entitled to vote generally in the election of directors of the merged or consolidated company;
- (D) the approval by the Company's shareholders of the liquidation or dissolution of the Company other than a liquidation of the Company into any Subsidiary or a liquidation a result of which persons who were stockholders of the Company immediately prior to such liquidation, or any Permitted Holder, own, directly or indirectly, more than 50% of the combined voting power entitled to vote generally in the election of directors of the entity that holds substantially all of the assets of the Company following such event; or
- (E) the sale, transfer or other disposition of all or substantially all of the assets of the Company to one or more persons or entities

that are not, immediately prior to such sale, transfer or other disposition, affiliates of the Company or any Permitted Holder.

Notwithstanding the foregoing, a “Change in Control” for purposes of this Agreement shall not be deemed to occur if the Company files for bankruptcy, liquidation or reorganization under the United States Bankruptcy Code.

For purposes of the foregoing:

(A) “Permitted Holder” means the Related Parties and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members.

(B) “Principal” means Carl Icahn.

(C) “Related Party” or “Related Parties” means (1) the Principal and his siblings, his and their respective spouses and descendants (including stepchildren and adopted children) and the spouses of such descendants (including stepchildren and adopted children) (collectively, the “Family Group”); (2) any trust, estate, partnership, corporation, company, limited liability company or unincorporated association or organization (each an “Entity” and collectively “Entities”) controlled by (to be interpreted consistent with the definition of “Affiliate”) one or more members of the Family Group; (3) any Entity over which one or more members of the Family Group, directly or indirectly, have rights that legally enable them to make or veto significant management decisions with respect to such Entity, whether pursuant to the constituent documents of such Entity, by contract, through representation on a board of directors or other governing body of such Entity or in any other manner (such rights hereinafter referred to as “Veto Power”); (4) the estate of any member of the Family Group; (5) any trust created (in whole or in part) by any one or more members of the Family Group; (6) any individual or Entity who receives an interest in any estate or trust listed in clauses (4) or (5), to the extent of such interest; (7) any trust or estate, substantially all the beneficiaries of which (other than charitable organizations or foundations) consist of one or more members of the Family Group; (8) any organization described in Section 501(c) of the Code, over which any one or more members of the Family Group and the

trusts and estates listed in clauses (4), (5) and (7) have direct or indirect Veto Power, or to which they are substantial contributors (as such term is defined in Section 507 of the Code); (9) any organization described in Section 501(c) of the Code of which a member of the Family Group is an officer, director or trustee; or (10) any Entity, directly or indirectly (i) owned or controlled by (to be interpreted consistent with the definition of "Affiliate") or (ii) a majority of the economic interests in which are owned by, or are for or accrue to the benefit of, in either case, any Person or Persons identified in clauses (1) through (9) above.

(d) Committee Discretion. Notwithstanding anything contained in this Agreement to the contrary, and subject to Section 8(g) of this Agreement and Section 11.9 of the Plan, the Committee, in its sole discretion, may accelerate the vesting with respect to any Restricted Stock Units under this Agreement, at such times and upon such terms and conditions as the Committee shall determine.

3. Settlement. Subject to the following sentence, not later than the 30th day following the date on which the lapse of the Restriction Period occurs with respect to any Restricted Stock Units, the Company shall issue to the Participant one share of Common Stock underlying each Restricted Stock Unit as to which the Restriction Period has lapsed (or, if determined by the Committee in its sole discretion, cash equal to the Fair Market Value of such shares of Common Stock or any combination of shares of Common Stock and cash having an aggregate Fair Market Value equal to such number of shares of Common Stock). Notwithstanding the preceding sentence, if the Restriction Period applicable to any Restricted Stock Units which constitutes "deferred compensation" subject to Code Section 409A lapses as a result of a Change in Control that does not qualify as a "change in the ownership or effective control" of the Company or "in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code, then the Company shall not settle such Restricted Stock Units until the 30th day following the earlier of (i) the Participant's termination of employment and (ii) the originally scheduled Vesting Date of such Restricted Stock Units. For the avoidance of doubt, the preceding two sentences are subject to Section 8(g) of this Agreement and Section 11.9 of the Plan. Upon issuance, such shares of Common Stock may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated in compliance with all applicable law, this Agreement and any other agreement to which such shares are subject. The Participant's settlement rights pursuant to this Agreement shall be no greater than the right of any unsecured general creditor of the Company.

4. Forfeiture. Notwithstanding anything in the Plan or this Agreement to the contrary, if, during the Covered Period, the Participant engages in Wrongful Conduct, then any Restricted Stock Units for which the Restriction Period has not then lapsed shall

automatically be forfeited and cancelled effective as of the date on which the Participant first engaged in such Wrongful Conduct. If the Participant engages in Wrongful Conduct or if the Participant's employment is terminated for Cause, the Participant shall pay to the Company in cash any Restriction-Based Financial Gain the Participant realized from the lapse of the Restriction Period applicable to all or a portion of the Restricted Stock Units with respect to which the Restriction Period lapsed within the Wrongful Conduct Period. By entering into this Agreement, the Participant hereby consents to and authorizes the Company and the Subsidiaries to deduct from any amounts payable by such entities to the Participant any amounts the Participant owes to the Company under this Section 4 to the extent permitted by law. This right of set-off is in addition to any other remedies the Company may have against the Participant for the Participant's breach of this Section 4. The Participant's obligations under this Section 4 shall be cumulative of any similar obligations the Participant has under the Plan, this Agreement, any Company policy, standard or code (including, without limitation, the Company's Standards of Business Conduct), or any other agreement with the Company or any Subsidiary.

5. Effect of Financial Restatements. In the event that the Participant commits misconduct, fraud or gross negligence (whether or not such misconduct, fraud or gross negligence is deemed or could be deemed to be an event constituting Cause) and as a result of, or in connection with, such misconduct, fraud or gross negligence, the Company restates any of its financial statements, then the Committee may require any or all of the following:

(a) that the Participant forfeit some or all of the Restricted Stock Units subject to this Agreement held by the Participant at the time of such restatement,

(b) that the Participant forfeit (or pay or return to the Company) some or all of the cash or the shares of Common Stock held by the Participant at the time of such restatement that had been received within the three-year period prior to the date that the Company is required to prepare a financial restatement in settlement of Restricted Stock Units subject to this Agreement, and

(c) that the Participant pay to the Company in cash all or a portion of the proceeds that the Participant realized from the sale of shares of Common Stock that had been received within the three-year period prior to the date that the Company is required to prepare a financial restatement in settlement of any Restricted Stock Units subject to this Agreement.

Notwithstanding the foregoing, in the event that the Committee determines that the rules and regulations implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act require a longer or different clawback time period than the three-year period contemplated by Sections 5(b) and (c), or terms

and conditions other than those reflected in this Section 5, such three-year period shall be deemed extended (but not reduced), and/or such other terms and conditions modified, to the extent necessary to be consistent with such rules and regulations.

6. Issuance of Shares.

(a) Notwithstanding any other provision of this Agreement, the Participant may not sell or transfer the shares of Common Stock acquired upon settlement of the Restricted Stock Units except in compliance with all applicable laws and regulations.

(b) The shares of Common Stock issued in settlement of the Restricted Stock Units shall be registered in the Participant's name, or, if applicable, in the names of the Participant's heirs or estate. In the Company's discretion, such shares may be issued either in certificated form or in uncertificated, book entry form. The certificate or book entry account shall bear such restrictive legends or restrictions as the Company, in its sole discretion, shall require. If delivered in certificated form, the Company may deliver a share certificate to the Participant or to the Participant's designated broker on the Participant's behalf. If the Participant is deceased (or if Disabled and if necessary) at the time that a delivery of share certificates is to be made, the certificates shall be delivered to the Participant's estate, executor, administrator, legally authorized guardian or personal representative (as applicable).

(c) To the extent permitted by Section 409A of the Code, the grant of the Restricted Stock Units and issuance of shares of Common Stock upon settlement of the Restricted Stock Units shall be subject to and in compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Restricted Stock Units shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. To the extent permitted by Section 409A of the Code, as a condition to the settlement of the Restricted Stock Units, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

(d) The Company shall not be required to issue fractional shares of Common Stock upon settlement of the Restricted Stock Units.

(e) To the extent permitted by Section 409A of the Code, the Company may postpone the issuance and delivery of any shares of Common Stock provided for under this Agreement for so long as the Company determines to be necessary or advisable to satisfy the following: (1) the completion or amendment of any registration of such shares or satisfaction of any exemption from registration under any securities law, rule, or regulation; (2) compliance with any requests for representations; and (3) receipt of proof satisfactory to the Company that a person seeking such shares on the Participant's behalf upon the Participant's Disability (if necessary), or upon the Participant's estate's behalf after the death of the Participant, is appropriately authorized.

7. Participant's Rights with Respect to the Restricted Stock Units.

(a) Restrictions on Transferability. The Restricted Stock Units granted hereby may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated other than with the consent of the Company or by will or by the laws of descent and distribution to the estate of the Participant upon the Participant's death; provided that any such permitted transferee shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan as if such beneficiary or the estate were the Participant. Any attempt by the Participant, directly or indirectly, to offer, transfer, sell, pledge, hypothecate or otherwise dispose of any Restricted Stock Units or any interest therein or any rights relating thereto without complying with the provisions of the Plan and this Agreement, including this Section 7(a), shall be void and of no effect. The Company shall not be required to recognize on its books any action taken in contravention of these restrictions.

(b) No Rights as Stockholder. The Participant shall not have any rights as a stockholder of the Company with respect to any shares of Common Stock corresponding to the Restricted Stock Units granted hereby unless and until shares of Common Stock are issued to the Participant in respect thereof.

8. Miscellaneous.

(a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or

their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Company or the Participant without the prior written consent of the other party, for the avoidance of doubt, in the case of the Company, subject to Section 4.4 and Article IX of the Plan.

(c) No Right to Continued Employment. Nothing in the Plan or this Agreement shall interfere with or limit in any way the right of the Company or any of its Subsidiaries to terminate the Participant's employment at any time, or confer upon the Participant any right to continue in the employ of the Company or any of its Subsidiaries (regardless of whether such termination results in (i) the failure of any Award to vest; (ii) the forfeiture of any unvested or vested portion of any Award; and/or (iii) any other adverse effect on the individual's interests under the Plan). Nothing in the Plan or this Agreement shall confer on the Participant the right to receive any future Awards under the Plan.

(d) Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or express mail, return receipt requested, postage prepaid, or by any recognized international equivalent of such delivery, to the Company or the Participant, as the case may be, at the following addresses or to such other address as the Company or the Participant, as the case may be, shall specify by notice to the other:

If to the Company, to it at:

Hertz Global Holdings, Inc.
8501 Williams Road
Estero, Florida 33928
Attention: General Counsel
Fax: (239) 301-6906

If to the Participant, to the Participant at his or her most recent address as shown on the books and records of the Company or Subsidiary employing the Participant.

All such notices and communications shall be deemed to have been received on the date of delivery if delivered personally or on the third business day after the mailing thereof.

(e) Amendment. This Agreement may be amended from time to time by the Committee in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a material adverse effect on the Restricted Stock Units as determined in the discretion of the Committee, except as provided in the Plan, or with the consent of the Participant. This Agreement may not be amended, modified or supplemented orally.

(f) Interpretation. The Committee shall have full power and discretion to construe and interpret the Plan (and any rules and regulations issued thereunder) and this Award. Any determination or interpretation by the Committee under or pursuant to the Plan or this Award shall be final and binding and conclusive on all persons affected hereby.

(g) Tax Withholding; Section 409A.

(i) The Company shall have the right and power to deduct from all amounts paid to the Participant in cash or shares (whether under the Plan or otherwise) or to require the Participant to remit to the Company promptly upon notification of the amount due, an amount (which may include shares of Common Stock) to satisfy the minimum federal, state or local or foreign taxes or other obligations required by law to be withheld with respect to the Restricted Stock Units. No shares of Common Stock shall be issued unless and until arrangements satisfactory to the Committee shall have been made to satisfy the statutory minimum withholding tax obligations applicable with respect to such Restricted Stock Units. To the extent permitted by Section 409A of the Code, the Company may defer payments of cash or issuance or delivery of Common Stock until such requirements are satisfied. Without limiting the generality of the foregoing, the Participant may elect to tender shares of Common Stock (including shares of Common Stock issuable in respect of the Restricted Stock Units) to satisfy, in whole or in part, the amount required to be withheld (provided that such amount shall not be in excess of the minimum amount required to satisfy the statutory withholding tax obligations).

(ii) It is intended that the provisions of this Agreement comply with Section 409A of the Code to the extent applicable, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A and any similar state or local law.

(h) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware regardless of the

application of rules of conflict of law that would apply the laws of any other jurisdiction.

(i) Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, the Participant acknowledges: (i) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (ii) that the Award does not create any contractual or other right to receive future grants of Awards; (iii) that participation in the Plan is voluntary; (iv) that the value of the Restricted Stock Units is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; and (v) that the future value of the Common Stock is unknown and cannot be predicted with certainty.

(j) Employee Data Privacy. The Participant authorizes any Affiliate of the Company that employs the Participant or that otherwise has or lawfully obtains personal data relating to the Participant to divulge or transfer such personal data to the Company or to a third party, in each case in any jurisdiction, if and to the extent appropriate in connection with this Agreement or the administration of the Plan.

(k) Consent to Electronic Delivery. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, this Agreement and the Restricted Stock Units via Company web site or other electronic delivery.

(l) Clawback or Compensation Recovery Policy. Without limiting any other provision of this Agreement, and to the extent applicable, the Restricted Stock Units granted hereunder shall be subject to any clawback policy or compensation recovery policy or such other similar policy of the Company in effect from time to time.

(m) Company Rights. The existence of the Restricted Stock Units does not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, including that of its Affiliates, or any merger or consolidation of the Company or any Affiliate, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or

the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of the Company's or any Affiliate's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(n) Severability. If a court of competent jurisdiction determines that any portion of this Agreement is in violation of any statute or public policy, then only the portions of this Agreement which violate such statute or public policy shall be stricken, and all portions of this Agreement which do not violate any statute or public policy shall continue in full force and effect. Further, it is the parties' intent that any court order striking any portion of this Agreement should modify the terms as narrowly as possible to give as much effect as possible to the intentions of the parties' under this Agreement.

(o) Further Assurances. The Participant agrees to use his or her reasonable and diligent best efforts to proceed promptly with the transactions contemplated herein, to fulfill the conditions precedent for the Participant's benefit or to cause the same to be fulfilled and to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated herein.

(p) Headings and Captions. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(q) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

RESTRICTED STOCK UNIT AGREEMENT

THIS RESTRICTED STOCK UNIT AGREEMENT (the "Agreement") is entered into by and between Hertz Global Holdings, Inc., a Delaware corporation (the "Company"), and the Participant (defined hereafter) pursuant to the Hertz Global Holdings, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan"), in combination with a 2018 Long Term Incentive Award Summary (or applicable portion thereof) (the "Award Summary"). The Award Summary, which identifies the person to whom the restricted stock units are granted (the "Participant") and specifies the date of grant of this Award (the "Grant Date") and other details of this Award, and the electronic acceptance of this Agreement, are incorporated herein by reference.

1. Grant and Acceptance of Restricted Stock Units. The Company hereby evidences and confirms its grant to the Participant, effective as of the Grant Date, of the number of restricted stock units set forth on the Award Summary and which shall be subject to the terms and conditions of the Plan and this Agreement, including the adjustments as provided in this Agreement (such number of restricted stock units, as may be adjusted, referred to as the "Grant Number") (the "Restricted Stock Units"). The Participant must accept this Award within ninety (90) days after notification that the Award is available for acceptance and in accordance with the instructions provided by the Company. The Award may be rescinded upon the action of the Company, in its sole discretion, if the Award is not accepted within ninety (90) days after notification is sent to the Participant indicating availability for acceptance.

This Agreement is subordinate to, and the terms and conditions of the Restricted Stock Units granted hereunder are subject to, the terms and conditions of the Plan, which are incorporated by reference herein. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, except as expressly provided herein, the terms of the Plan shall govern. If there is any inconsistency between the terms of this Agreement and the terms of the Award Summary, the terms of this Agreement shall govern. Any capitalized terms used herein without definition shall have the meanings set forth in the Plan.

2. Vesting of Restricted Stock Units.

(a) Generally. Except as otherwise provided in this Section 2, the Restriction Period applicable to the Restricted Stock Units shall lapse, if at all, as follows:

(i) As to 33 $\frac{1}{3}$ % of the Grant Number of Restricted Stock Units, as of the later of the Certification Date (as defined below) and the first anniversary of the Grant Date, subject to (X) the continued employment of the Participant by the Company or any Subsidiary thereof through the first anniversary of the Grant

Date, (Y) the achievement of the performance criteria established by the Committee pursuant to the Plan for the Restricted Stock Units for the Performance Period (as defined in Exhibit A) and set forth at the end of this Agreement (the “Performance Goal”) and (Z) the Committee’s certification of the achievement of the Performance Goal in accordance with the below.

(ii) As to $33\frac{1}{3}\%$ of the Grant Number of Restricted Stock Units, as of the second anniversary of the Grant Date, subject to (x) the continued employment of the Participant by the Company or any Subsidiary thereof through the second anniversary of the Grant Date, and (y) the Restriction Period having lapsed as to the Restricted Stock Units described in clause (i); and

(iii) As to $33\frac{1}{3}\%$ of the Grant Number of Restricted Stock Units, as of the third anniversary of the Grant Date, subject to (x) the continued employment of the Participant by the Company or any Subsidiary thereof through the third anniversary of the Grant Date, and (y) the Restriction Period having lapsed as to the Restricted Stock Units described in clause (i).

To the extent the Restriction Period of any Restricted Stock Units subject to this Agreement does not lapse as provided herein, such Restricted Stock Units shall immediately be forfeited and canceled as of the earliest date on which vesting is no longer possible.

As soon as administratively feasible in the calendar year after the end of the Performance Period, the Committee shall certify, in writing, whether or not, the Performance Goal has been achieved. The date on which the Committee makes such certification is referred to herein as the “Certification Date”.

If the Committee certifies on the Certification Date that the Performance Goal has not been achieved, all Restricted Stock Units subject to this Agreement shall immediately be forfeited and canceled.

(b) Termination of Employment.

(i) Death or Disability. If the Participant’s employment is terminated due to death or Disability prior to the third anniversary of the Grant Date, the Restriction Period shall lapse immediately upon such termination with respect to all Restricted Stock Units subject to the Restriction Period. Such Restricted Stock Units shall be settled as provided in Section 3.

(ii) Retirement. If the Participant’s employment is terminated due to Retirement prior to the third anniversary of the Grant Date, then a portion of the

Restricted Stock Units subject to this Agreement shall be retained, with such portion being retained equal to $33\frac{1}{3}\%$ of the Grant Number of Restricted Stock Units multiplied by a fraction, the numerator of which is the number of full completed months elapsed since the Tranche Beginning Date, and the denominator of which is 12 (the “Retained Award”); provided that, if, as of Certification Date, the Committee determines that the Performance Goal has not been achieved, then the result of the foregoing calculation shall be reduced to zero. The remainder of the Restricted Stock Units shall be forfeited and canceled as of the date of the Participant’s termination. The Restriction Period on the Retained Award shall lapse, if at all, as of the later of the Certification Date or date of termination, if the Performance Goal is achieved. Such Restricted Stock Units shall be settled as provided in Section 3.

The “Tranche Beginning Date” shall be (X) the Grant Date, if the termination of employment occurs prior to the first anniversary of the Grant Date, (Y) the first anniversary of the Grant Date if the termination of employment occurs on or after the first anniversary of the Grant Date but before the second anniversary of the Grant Date, and (Z) the second anniversary of the Grant Date if the termination of employment occurs on or after the second anniversary of the Grant Date.

(iii) Any Other Reason. If the Participant’s employment terminates (whether by the Participant or by the Company or a Subsidiary) for any reason other than death or Disability prior to the third anniversary of the Grant Date, and subject to Section 2(b)(ii), any outstanding Restricted Stock Units shall immediately be forfeited and canceled effective as of the date of the Participant’s termination.

(c) Change in Control.

(i) In General. Subject to Section 2(c)(ii), in the event of a Change in Control, the Performance Goal shall be deemed satisfied and the Restriction Period applicable to any outstanding Restricted Stock Units shall lapse immediately prior to such Change in Control and shall be settled as set forth in Section 3.

(ii) Alternative Awards. Notwithstanding Section 2(c)(i), no cancellation, termination, lapse of Restriction Period or settlement or other payment shall occur with respect to the Restricted Stock Units if the Committee (as constituted immediately prior to the Change in Control) reasonably determines prior to the Change in Control that the Restricted Stock Units shall be honored or assumed or new rights substituted therefor by an Alternative Award, in accordance with the

terms of Section 9.2 of the Plan; provided, however, notwithstanding anything in the Plan to the contrary, any such Alternative Award shall vest in full if the Participant's employment is terminated by the Company without Cause within two years following a Change in Control. For purposes of any Alternative Award, the Performance Goal shall be deemed satisfied.

(iii) Definitions. For purposes of this Agreement, and notwithstanding anything in the Plan to the contrary, "Change in Control" means the first occurrence of any of the following events after the Grant Date:

- (A) the acquisition by any person, entity or "group" (as defined in Section 13(d) of the Exchange Act), other than the Company, the Subsidiaries, any employee benefit plan of the Company or the Subsidiaries, or any Permitted Holder, of 50% or more of the combined voting power of the Company's then outstanding voting securities;
- (B) within any 24-month period, the Incumbent Directors shall cease to constitute at least a majority of the Board or the board of directors of any successor to the Company; provided that any director elected to the Board, or nominated for election, by a majority of the Incumbent Directors then still in office shall be deemed to be an Incumbent Director for purposes of this clause (B);
- (C) the merger or consolidation of the Company as a result of which persons who were owners of the voting securities of the Company immediately prior to such merger or consolidation, or any Permitted Holder, do not, immediately thereafter, own, directly or indirectly, more than 50% of the combined voting power entitled to vote generally in the election of directors of the merged or consolidated company;
- (D) the approval by the Company's shareholders of the liquidation or dissolution of the Company other than a liquidation of the Company into any Subsidiary or a liquidation a result of which persons who were stockholders of the Company immediately prior to such liquidation, or any Permitted Holder, own, directly or indirectly, more than 50% of the combined voting power entitled to vote generally in the election of directors of the entity that holds substantially all of the assets of the Company following such event; or

- (E) the sale, transfer or other disposition of all or substantially all of the assets of the Company to one or more persons or entities that are not, immediately prior to such sale, transfer or other disposition, affiliates of the Company or any Permitted Holder.

Notwithstanding the foregoing, a “Change in Control” for purposes of this Agreement shall not be deemed to occur if the Company files for bankruptcy, liquidation or reorganization under the United States Bankruptcy Code.

For purposes of the foregoing:

- (A) “Permitted Holder” means the Related Parties and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members.
- (B) “Principal” means Carl Icahn.
- (C) “Related Party” or “Related Parties” means (1) the Principal and his siblings, his and their respective spouses and descendants (including stepchildren and adopted children) and the spouses of such descendants (including stepchildren and adopted children) (collectively, the “Family Group”); (2) any trust, estate, partnership, corporation, company, limited liability company or unincorporated association or organization (each an “Entity” and collectively “Entities”) controlled by (to be interpreted consistent with the definition of “Affiliate”) one or more members of the Family Group; (3) any Entity over which one or more members of the Family Group, directly or indirectly, have rights that legally enable them to make or veto significant management decisions with respect to such Entity, whether pursuant to the constituent documents of such Entity, by contract, through representation on a board of directors or other governing body of such Entity or in any other manner (such rights hereinafter referred to as “Veto Power”); (4) the estate of any member of the Family Group; (5) any trust created (in whole or in part) by any one or more members of the Family Group; (6) any individual or Entity who receives an interest in any estate or trust listed in clauses (4) or (5), to the extent of such interest; (7) any trust or estate, substantially all the beneficiaries of which (other than charitable organizations or foundations) consist of one or more members of the Family Group;

(8) any organization described in Section 501(c) of the Code, over which any one or more members of the Family Group and the trusts and estates listed in clauses (4), (5) and (7) have direct or indirect Veto Power, or to which they are substantial contributors (as such term is defined in Section 507 of the Code); (9) any organization described in Section 501(c) of the Code of which a member of the Family Group is an officer, director or trustee; or (10) any Entity, directly or indirectly (i) owned or controlled by (to be interpreted consistent with the definition of “Affiliate”) or (ii) a majority of the economic interests in which are owned by, or are for or accrue to the benefit of, in either case, any Person or Persons identified in clauses (1) through (9) above.

3. Settlement. Subject to the following sentence, not later than the 30th day following the date on which the lapse of the Restriction Period occurs with respect to any Restricted Stock Units, the Company shall issue to the Participant one share of Common Stock underlying each Restricted Stock Unit as to which the Restriction Period has lapsed (or, if determined by the Committee in its sole discretion, cash equal to the Fair Market Value of such shares of Common Stock or any combination of shares of Common Stock and cash having an aggregate Fair Market Value equal to such number of shares of Common Stock). Notwithstanding the preceding sentence, if the Restriction Period applicable to any Restricted Stock Units which constitutes “deferred compensation” subject to Code Section 409A lapses as a result of a Change in Control that does not qualify as a “change in the ownership or effective control” of the Company or “in the ownership of a substantial portion of the assets” of the Company within the meaning of Section 409A of the Code, then the Company shall not settle such Restricted Stock Units until the 30th day following the earlier of (i) the Participant’s termination of employment and (ii) the originally scheduled Vesting Date of such Restricted Stock Units. For the avoidance of doubt, the preceding two sentences are subject to Section 8(g) of this Agreement and Section 11.9 of the Plan. Upon issuance, such shares of Common Stock may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated in compliance with all applicable law, this Agreement and any other agreement to which such shares are subject. The Participant’s settlement rights pursuant to this Agreement shall be no greater than the right of any unsecured general creditor of the Company.

4. Forfeiture. Notwithstanding anything in the Plan or this Agreement to the contrary, if, during the Covered Period, the Participant engages in Wrongful Conduct, then any Restricted Stock Units for which the Restriction Period has not then lapsed shall automatically be forfeited and cancelled effective as of the date on which the Participant first engaged in such Wrongful Conduct. If the Participant engages in Wrongful Conduct or if the Participant’s employment is terminated for Cause, the Participant shall pay to the

Company in cash any Restriction-Based Financial Gain the Participant realized from the lapse of the Restriction Period applicable to all or a portion of the Restricted Stock Units with respect to which the Restriction Period lapsed within the Wrongful Conduct Period. By entering into this Agreement, the Participant hereby consents to and authorizes the Company and the Subsidiaries to deduct from any amounts payable by such entities to the Participant any amounts the Participant owes to the Company under this Section 4 to the extent permitted by law. This right of set-off is in addition to any other remedies the Company may have against the Participant for the Participant's breach of this Section 4. The Participant's obligations under this Section 4 shall be cumulative of any similar obligations the Participant has under the Plan, this Agreement, any Company policy, standard or code (including, without limitation, the Company's Standards of Business Conduct), or any other agreement with the Company or any Subsidiary.

5. **Effect of Financial Restatements.** In the event that the Participant commits misconduct, fraud or gross negligence (whether or not such misconduct, fraud or gross negligence is deemed or could be deemed to be an event constituting Cause) and as a result of, or in connection with, such misconduct, fraud or gross negligence, the Company restates any of its financial statements, then the Committee may require any or all of the following:

(a) that the Participant forfeit some or all of the Restricted Stock Units subject to this Agreement held by the Participant at the time of such restatement,

(b) that the Participant forfeit (or pay or return to the Company) some or all of the cash or the shares of Common Stock held by the Participant at the time of such restatement that had been received within the three-year period prior to the date that the Company is required to prepare a financial restatement in settlement of Restricted Stock Units subject to this Agreement, and

(c) that the Participant pay to the Company in cash all or a portion of the proceeds that the Participant realized from the sale of shares of Common Stock that had been received within the three-year period prior to the date that the Company is required to prepare a financial restatement in settlement of any Restricted Stock Units subject to this Agreement.

Notwithstanding the foregoing, in the event that the Committee determines that the rules and regulations implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act require a longer or different clawback time period than the three-year period contemplated by Sections 5(b) and (c), or terms and conditions other than those reflected in this Section 5, such three-year period shall be deemed extended (but not reduced), and/or such other terms and conditions modified, to the extent necessary to be consistent with such rules and regulations.

6. Issuance of Shares.

(a) Notwithstanding any other provision of this Agreement, the Participant may not sell or transfer the shares of Common Stock acquired upon settlement of the Restricted Stock Units except in compliance with all applicable laws and regulations.

(b) The shares of Common Stock issued in settlement of the Restricted Stock Units shall be registered in the Participant's name, or, if applicable, in the names of the Participant's heirs or estate. In the Company's discretion, such shares may be issued either in certificated form or in uncertificated, book entry form. The certificate or book entry account shall bear such restrictive legends or restrictions as the Company, in its sole discretion, shall require. If delivered in certificated form, the Company may deliver a share certificate to the Participant or to the Participant's designated broker on the Participant's behalf. If the Participant is deceased (or if Disabled and if necessary) at the time that a delivery of share certificates is to be made, the certificates shall be delivered to the Participant's estate, executor, administrator, legally authorized guardian or personal representative (as applicable).

(c) To the extent permitted by Section 409A of the Code, the grant of the Restricted Stock Units and issuance of shares of Common Stock upon settlement of the Restricted Stock Units shall be subject to and in compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Restricted Stock Units shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. To the extent permitted by Section 409A of the Code, as a condition to the settlement of the Restricted Stock Units, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

(d) The Company shall not be required to issue fractional shares of Common Stock upon settlement of the Restricted Stock Units.

(e) To the extent permitted by Section 409A of the Code, the Company may postpone the issuance and delivery of any shares of Common Stock provided for under this Agreement for so long as the Company determines to be necessary or advisable to satisfy the following: (1) the completion or amendment of any registration of such shares or satisfaction of any exemption from registration under any securities law, rule, or regulation; (2) compliance with any requests for representations; and (3) receipt of proof satisfactory to the Company that a person seeking such shares on the Participant's behalf upon the Participant's Disability (if necessary), or upon the Participant's estate's behalf after the death of the Participant, is appropriately authorized.

7. Participant's Rights with Respect to the Restricted Stock Units.

(a) Restrictions on Transferability. The Restricted Stock Units granted hereby may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated other than with the consent of the Company or by will or by the laws of descent and distribution to the estate of the Participant upon the Participant's death; provided that any such permitted transferee shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan as if such beneficiary or the estate were the Participant. Any attempt by the Participant, directly or indirectly, to offer, transfer, sell, pledge, hypothecate or otherwise dispose of any Restricted Stock Units or any interest therein or any rights relating thereto without complying with the provisions of the Plan and this Agreement, including this Section 7(a), shall be void and of no effect. The Company shall not be required to recognize on its books any action taken in contravention of these restrictions.

(b) No Rights as Stockholder. The Participant shall not have any rights as a stockholder of the Company with respect to any shares of Common Stock corresponding to the Restricted Stock Units granted hereby unless and until shares of Common Stock are issued to the Participant in respect thereof.

8. Miscellaneous.

(a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Company or the Participant without the prior written consent of the other party, for the avoidance of doubt, in the case of the Company, subject to Section 4.4 and Article IX of the Plan.

(c) No Right to Continued Employment. Nothing in the Plan or this Agreement shall interfere with or limit in any way the right of the Company or any of its Subsidiaries to terminate the Participant's employment at any time, or confer upon the Participant any right to continue in the employ of the Company or any of its Subsidiaries (regardless of whether such termination results in (i) the failure of any Award to vest; (ii) the forfeiture of any unvested or vested portion of any Award; and/or (iii) any other adverse effect on the individual's interests under the Plan). Nothing in the Plan or this Agreement shall confer on the Participant the right to receive any future Awards under the Plan.

(d) Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or express mail, return receipt requested, postage prepaid, or by any recognized international equivalent of such delivery, to the Company or the Participant, as the case may be, at the following addresses or to such other address as the Company or the Participant, as the case may be, shall specify by notice to the other:

If to the Company, to it at:

Hertz Global Holdings, Inc.
8501 Williams Road
Estero, Florida 33928
Attention: General Counsel
Fax: (239) 301-6906

If to the Participant, to the Participant at his or her most recent address as shown on the books and records of the Company or Subsidiary employing the Participant.

All such notices and communications shall be deemed to have been received on the date of delivery if delivered personally or on the third business day after the mailing thereof.

(e) Amendment. This Agreement may be amended from time to time by the Committee in its discretion; provided, however, that this Agreement may not be

modified in a manner that would have a material adverse effect on the Restricted Stock Units as determined in the discretion of the Committee, except as provided in the Plan, or with the consent of the Participant. This Agreement may not be amended, modified or supplemented orally.

(f) Interpretation. The Committee shall have full power and discretion to construe and interpret the Plan (and any rules and regulations issued thereunder) and this Award. Any determination or interpretation by the Committee under or pursuant to the Plan or this Award shall be final and binding and conclusive on all persons affected hereby.

(g) Tax Withholding; Section 409A.

(i) The Company shall have the right and power to deduct from all amounts paid to the Participant in cash or shares (whether under the Plan or otherwise) or to require the Participant to remit to the Company promptly upon notification of the amount due, an amount (which may include shares of Common Stock) to satisfy the minimum federal, state or local or foreign taxes or other obligations required by law to be withheld with respect to the Restricted Stock Units. No shares of Common Stock shall be issued unless and until arrangements satisfactory to the Committee shall have been made to satisfy the statutory minimum withholding tax obligations applicable with respect to such Restricted Stock Units. To the extent permitted by Section 409A of the Code, the Company may defer payments of cash or issuance or delivery of Common Stock until such requirements are satisfied. Without limiting the generality of the foregoing, the Participant may elect to tender shares of Common Stock (including shares of Common Stock issuable in respect of the Restricted Stock Units) to satisfy, in whole or in part, the amount required to be withheld (provided that such amount shall not be in excess of the minimum amount required to satisfy the statutory withholding tax obligations).

(ii) It is intended that the provisions of this Agreement comply with Section 409A of the Code to the extent applicable, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A and any similar state or local law.

(h) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware regardless of the application of rules of conflict of law that would apply the laws of any other jurisdiction.

(i) Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, the Participant acknowledges: (i) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (ii) that the Award does not create any contractual or other right to receive future grants of Awards; (iii) that participation in the Plan is voluntary; (iv) that the value of the Restricted Stock Units is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; and (v) that the future value of the Common Stock is unknown and cannot be predicted with certainty.

(j) Employee Data Privacy. The Participant authorizes any Affiliate of the Company that employs the Participant or that otherwise has or lawfully obtains personal data relating to the Participant to divulge or transfer such personal data to the Company or to a third party, in each case in any jurisdiction, if and to the extent appropriate in connection with this Agreement or the administration of the Plan.

(k) Consent to Electronic Delivery. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, this Agreement and the Restricted Stock Units via Company web site or other electronic delivery.

(l) Clawback or Compensation Recovery Policy. Without limiting any other provision of this Agreement, and to the extent applicable, the Restricted Stock Units granted hereunder shall be subject to any clawback policy or compensation recovery policy or such other similar policy of the Company in effect from time to time.

(m) Company Rights. The existence of the Restricted Stock Units does not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, including that of its Affiliates, or any merger or consolidation of the Company or any Affiliate, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of the Company's or any Affiliate's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(n) Severability. If a court of competent jurisdiction determines that any portion of this Agreement is in violation of any statute or public policy, then only the portions of this Agreement which violate such statute or public policy shall be stricken, and all portions of this Agreement which do not violate any statute or public policy shall continue in full force and effect. Further, it is the parties' intent that any court order striking any portion of this Agreement should modify the terms as narrowly as possible to give as much effect as possible to the intentions of the parties' under this Agreement.

(o) Further Assurances. The Participant agrees to use his or her reasonable and diligent best efforts to proceed promptly with the transactions contemplated herein, to fulfill the conditions precedent for the Participant's benefit or to cause the same to be fulfilled and to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated herein.

(p) Headings and Captions. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(q) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

Exhibit A – Performance Goal

Performance Period: January 1, 2018 through December 31, 2018
Performance Goal: 2018 Revenue* equaling or exceeding \$7.5B

If the Performance Goal is not met, all Restricted Stock Units under this Agreement shall be forfeited and canceled. The Restricted Stock Units remain subject to all other provisions (including, without limitation, any applicable adjustment, vesting and settlement provisions) of this Agreement and the Plan.

* Revenue generally refers to total revenues as disclosed by the Company with respect to the car rental business of the Company, it being understood and agreed that the car rental business of the Company consists of the U.S. Rental Car, International Rental Car and All Other Operations segments of the Company.

Adjustments. Notwithstanding the foregoing, in the event of (i) material acquisitions or dispositions during any Performance Period or (ii) currency fluctuations affecting U.S. dollar denominated Revenue by 5% or more from January 1, 2018 through the end of the Performance Period, the Performance Goal, if and as applicable, and/or the determination of Revenue, shall be adjusted in an equitable and proportionate manner as determined by the Committee and in accordance with any applicable provisions of the Plan; provided, further, in the event of any other extraordinary transactions and items during any Performance Period, such criteria and/or the Revenue determination may be adjusted by the Committee in accordance with any applicable provisions of the Plan.

EMPLOYEE STOCK OPTION AGREEMENT

THIS EMPLOYEE STOCK OPTION AGREEMENT (the “Agreement”) is entered into by and between Hertz Global Holdings, Inc., a Delaware corporation (the “Company”), and the Participant (defined hereafter) pursuant to the Hertz Global Holdings, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the “Plan”), in combination with a 2018 Long Term Incentive Award Summary (or applicable portion thereof) (the “Award Summary”). The Award Summary, which identifies the person to whom the options are granted (the “Participant”) and specifies the date of grant of this Award (the “Grant Date”) and other details of this Award, and the electronic acceptance of this Agreement, are incorporated herein by reference.

1. Grant and Acceptance of Options.

(a) Confirmation of Grant. The Company hereby evidences and confirms, effective as of the Grant Date, its grant to the Participant of options to purchase the number of shares of Common Stock specified on the Award Summary and which shall be subject to the terms and conditions of the Plan and this Agreement (the “Options”). The Options are not intended to be incentive stock options under the Code. The Participant must accept this Award within ninety (90) days after notification that the Award is available for acceptance and in accordance with the instructions provided by the Company. The Award may be rescinded upon the action of the Company, in its sole discretion, if the Award is not accepted within ninety (90) days after notification is sent to the Participant indicating availability for acceptance.

This Agreement is subordinate to, and the terms and conditions of the Options granted hereunder are subject to, the terms and conditions of the Plan, which are incorporated by reference herein. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, except as expressly provided herein, the terms of the Plan shall govern. If there is any inconsistency between the terms of this Agreement and the terms of the Award Summary, the terms of this Agreement shall govern. Any capitalized terms used herein without definition shall have the meanings set forth in the Plan.

(b) Option Price. Each share covered by an Option may be purchased for the price specified on the Award Summary and which shall be subject to the terms and conditions of the Plan and this Agreement (the “Option Price”). The Option Price per share of Common Stock is equal to the Fair Market Value of a share of Common Stock on the Grant Date.

2. Vesting and Exercisability.

(a) Vesting Generally. Except as otherwise provided in Sections 2(b), 3, or 5 of this Agreement, the Options shall become vested, if at all, in equal one-fourth increments on the first, second, third and fourth anniversaries of the Grant Date (each, a “Vesting Date”), subject to the continuous employment of the Participant with the Company or any Subsidiary thereof through the applicable Vesting Date.

(b) Discretionary Acceleration. The Committee, in its sole discretion, may accelerate the vesting or exercisability of all or a portion of the Options, at any time and from time to time.

(c) Exercise. Once vested in accordance with the provisions of this Agreement, the Options may be exercised at any time and from time to time prior to the date the Options terminate pursuant to Section 3. The Options may only be exercised with respect to whole shares of Common Stock and must be exercised in accordance with Section 4.

3. Termination of Options.

(a) Normal Termination Date. Unless earlier terminated pursuant to Section 3(b) or Section 5, the Options shall terminate on the seventh anniversary of the Grant Date (the "Normal Termination Date"), if not exercised prior to such date.

(b) Termination of Employment.

(i) Death or Disability. If the Participant's employment terminates due to death or Disability, all unvested Options held by the Participant shall vest and all the Participant's Options shall remain outstanding until the first to occur of: (A) the first anniversary of the Participant's termination of employment, or, if later, the first anniversary of the expiration of any blackout period in effect that is applicable to the Participant with respect to such Options (for the avoidance of doubt, including any period during which the Form S-8 on file with respect to the Plan is not effective), (B) the Normal Termination Date and (C) the cancellation or termination of the Options pursuant to Sections 5(a) and 5(b), after which any unexercised Options shall immediately terminate.

(ii) Retirement. If the Participant's employment terminates due to the Participant's Retirement, then:

(A) a portion of the unvested Options shall vest, with such portion vesting equal to the number of unvested Options that would have vested on the next following Vesting Date (assuming the Participant's employment had continued through such Vesting Date) multiplied by a fraction, the numerator of which is the number of full completed months elapsed since the Tranche Beginning Date (as defined below), and the denominator of which is 12;

(B) the unvested Options (after giving effect to the prior clause (A)) held by the Participant on the date of his or her Retirement shall be immediately forfeited and canceled, effective as of the date of the Participant's Retirement; and

(C) vested Options held by the Participant on the date of his or her Retirement shall remain outstanding and exercisable until the first to occur of: (X) the first anniversary of the Participant's Retirement, or, if later, the first anniversary of the expiration of any blackout period in effect that is applicable to the Participant with respect to such Options (for the avoidance of doubt, including any period during which the Form S-8 on file with respect to the Plan is not effective), (Y) the Normal Termination

Date and (Z) the cancellation or termination of the Options pursuant to Sections 5(a) and 5(b), after which any unexercised Options shall immediately terminate.

The “Tranche Beginning Date” shall be (X) the Grant Date, if the termination of employment occurs prior to the first Vesting Date, or (Y) the most recent prior Vesting Date, if the termination of employment occurs after the first Vesting Date.

(iii) Termination for Cause. If the Participant’s employment terminates for Cause, all Options, whether vested or unvested, shall be immediately forfeited and canceled, effective as of the date of the Participant’s termination.

(iv) Termination for Any Other Reason. If the Participant’s employment terminates for any reason other than death or Disability in accordance with Section 3(b)(i), Cause in accordance with Section 3(b)(iii) or Retirement in accordance with Section 3(b)(ii), any unvested Options held by the Participant shall immediately be forfeited and canceled as of the date of termination.

If the Participant’s employment is terminated by the Company other than for Cause, vested Options shall remain outstanding and exercisable until the first to occur of: (A) the 90th day following the Participant’s termination, or, if later, the 90th day following expiration of any blackout period in effect that is applicable to the Participant with respect to such Options (for the avoidance of doubt, including any period during which the Form S-8 on file with respect to the Plan is not effective), (B) the Normal Termination Date and (C) the cancellation or termination of the Options pursuant to Sections 5(a) and 5(b), after which any unexercised Options shall immediately terminate.

If the Participant’s employment is terminated by the Participant other than by reason of death, Disability or Retirement, all vested Options shall remain exercisable until the first to occur of (A) the 30th day following the effective date of the Participant’s termination of employment, or, if later, the 30th day following expiration of any blackout period in effect that is applicable to the Participant with respect to such Options (for the avoidance of doubt, including any period during which the Form S-8 on file with respect to the Plan is not effective), (B) the Normal Termination Date and (C) the cancellation or termination of the Options pursuant to Sections 5(a) and 5(b), after which any unexercised Options shall immediately be forfeited and canceled.

4. Manner of Exercise; Forfeiture.

(a) General. The exercise of vested Options by the Participant shall be pursuant to procedures established by the Company from time to time and shall include the Participant specifying the proposed date on which the Participant desires to exercise a vested Option (the “Exercise Date”), the number of whole shares with respect to which the Options are being exercised (the “Exercise Shares”) and the aggregate Option Price for such Exercise Shares (the “Exercise Price”), or such other or different requirements as may be specified by the Company. Unless otherwise determined by the Committee, (i) on or before the Exercise Date the Participant

shall deliver to the Company full payment for the Exercise Shares in United States dollars in cash, or cash equivalents satisfactory to the Company, in an amount equal to the Exercise Price plus (if applicable) any required withholding taxes or other similar taxes, charges or fees, or, pursuant to a broker-assisted exercise program established by the Company, the Participant may exercise vested Options by an exercise and sell procedure (cashless exercise) in which the Exercise Price (together with any required withholding taxes or other similar taxes, charges or fees) is deducted from the proceeds of the exercise of an Option and (ii) the Company shall register the issuance of the Exercise Shares on its records (or direct such issuance to be registered by the Company's transfer agent). The Company may require the Participant to furnish or execute such other documents as the Company shall deem necessary (i) to evidence such exercise or (ii) to comply with or satisfy the requirements of the Securities Act of 1933, as amended, applicable state or non-U.S. securities laws or any other law.

(b) Restrictions on Exercise. Notwithstanding any other provision of this Agreement, the Options may not be exercised in whole or in part, (i) unless (A) all requisite approvals and consents of any governmental authority of any kind shall have been secured, (B) the purchase of the Exercise Shares shall be exempt from registration under applicable U.S. federal and state securities laws, and applicable non-U.S. securities laws, or the Exercise Shares shall have been registered under such laws, and (C) all applicable U.S. federal, state and local and non-U.S. tax withholding requirements shall have been satisfied or (ii) if such exercise would result in a violation of the terms or provisions of or a default or an event of default under, any of the financing or credit agreements of the Company or any Subsidiary. The Company shall use its commercially reasonable efforts to obtain any consents or approvals referred to in clause (i)(A) of the preceding sentence, but shall otherwise have no obligations to take any steps to prevent or remove any impediment to exercise described in such sentence. For the avoidance of doubt, the Options may not be exercised any period during which the Form S-8 on file with respect to the Plan is not effective.

(c) Issuance of Shares. The shares of Common Stock issued upon exercise of the Options shall be registered in the Participant's name, or, if applicable, in the names of the Participant's heirs or estate. In the Company's discretion, such shares may be issued either in certificated form or in uncertificated, book entry form. The certificate or book entry account shall bear such restrictive legends or restrictions as the Company, in its sole discretion, shall require. If delivered in certificate form, the Company may deliver a share certificate to the Participant or to the Participant's designated broker on the Participant's behalf. If the Participant is deceased (or if Disabled and if necessary) at the time that a delivery of share certificates is to be made, the certificates shall be delivered to the Participant's estate, executor, administrator, legally authorized guardian or personal representative (as applicable).

(d) Other. The Company may postpone the issuance and delivery of any shares of Common Stock provided for under this Agreement for so long as the Company determines to be necessary or advisable to satisfy the following: (i) the completion or amendment of any registration of such shares or satisfaction of any exemption from registration under any securities law, rule, or regulation; (ii) compliance with any requests for representations; and (iii) receipt of proof satisfactory to the Company that a person seeking such shares on the Participant's behalf

upon the Participant's Disability (if necessary), or upon the Participant's estate's behalf after the death of the Participant, is appropriately authorized.

(e) Wrongful Conduct. Notwithstanding anything in the Plan or this Agreement to the contrary, if, during the Covered Period, the Participant engages in Wrongful Conduct, then any unexercised Options, whether vested or unvested, shall automatically be forfeited and canceled effective as of the date on which the Participant first engaged in such Wrongful Conduct. If the Participant engages in Wrongful Conduct or if the Participant's employment is terminated for Cause, the Participant shall pay to the Company in cash any Option/SAR Financial Gain the Participant realized from exercising all or a portion of the Options within the Wrongful Conduct Period. By entering into this Agreement, the Participant hereby consents to and authorizes the Company and the Subsidiaries to deduct from any amounts payable by such entities to the Participant any amounts the Participant owes to the Company under this Section 4(e) to the extent permitted by law. This right of set-off is in addition to any other remedies the Company may have against the Participant for the Participant's breach of this Section 4(e). The Participant's obligations under this Section 4(e) shall be cumulative of any similar obligations the Participant has under the Plan, this Agreement, any Company policy, standard or code (including, without limitation, the Company's Standards of Business Conduct), or any other agreement with the Company or any Subsidiary.

(f) Financial Restatements. In the event that the Participant commits misconduct, fraud or gross negligence (whether or not such misconduct, fraud or gross negligence is deemed or could be deemed to be an event constituting Cause) and as a result of, or in connection with, such misconduct, fraud or gross negligence, the Company restates any of its financial statements, then the Committee may require any or all of the following:

(i) that the Participant forfeit some or all of the Options subject to this Agreement held by the Participant at the time of such restatement;

(ii) that the Participant forfeit (or pay or return to the Company) some or all of the shares of Common Stock or cash (net of the aggregate Option Price paid therefore) held by the Participant at the time of such restatement that had been received in respect of the Options that have been exercised during the three-year period prior to the date that the Company is required to prepare a financial restatement; and

(iii) that the Participant pay to the Company in cash all or a portion of the proceeds that the Participant realized from the sale of shares of Common Stock that had been received (net of the aggregate Option Price paid therefore) in respect any Options that had been exercised by the Participant within the three-year period prior to date that the Company is required to prepare a the financial restatement.

Notwithstanding the foregoing, in the event that the Committee determines that the rules and regulations implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act require a longer or different clawback time period than the three-year period contemplated by Sections 4(f)(ii) and (iii), or terms and conditions other than those reflected in this Section 4(f), such three-year period shall be deemed

extended (but not reduced), and/or such other terms and conditions modified, to the extent necessary to be consistent with such rules and regulations.

5. Change in Control.

(a) In General. Subject to Sections 5(a) and (c), in the event of a Change in Control, any unvested Options shall vest and become exercisable, provided that the Committee (as constituted immediately prior to the Change in Control) may determine that all then-outstanding Options (whether vested or unvested) shall be canceled in exchange for a payment having a value equal to the excess, if any, of (i) the product of the Change in Control Price multiplied by the aggregate number of shares covered by all such Options immediately prior to the Change in Control over (ii) the aggregate Option Price for all such shares, to be paid as soon as reasonably practicable, but in no event later than 30 days following the Change in Control.

(b) Termination. Notwithstanding Section 5(a), in the event of a Change in Control, the Committee may, in its discretion, terminate any outstanding Options if either (i) the Company provides the Participant with reasonable advance notice to exercise the outstanding and unexercised Options, or (ii) the Committee reasonably determines that the Change in Control Price is equal to or less than the Option Price.

(c) Alternative Awards. Notwithstanding Section 5(a), no cancellation, termination, acceleration of exercisability or vesting, or settlement or other payment shall occur with respect to the Options if the Committee (as constituted immediately prior to the Change in Control) reasonably determines prior to the Change in Control that the Options shall be honored or assumed or new rights substituted therefor by an Alternative Award, in accordance with the terms of Section 9.2 of the Plan; provided, however, notwithstanding anything in the Plan to the contrary, any such Alternative Award shall vest in full if the Participant's employment is terminated by the Company without Cause within two years following a Change in Control.

(d) Definitions. For purposes of this Agreement, and notwithstanding anything in the Plan to the contrary, "Change in Control" means the first occurrence of any of the following events after the Grant Date:

(i) the acquisition by any person, entity or "group" (as defined in Section 13(d) of the Exchange Act), other than the Company, the Subsidiaries, any employee benefit plan of the Company or the Subsidiaries, or any Permitted Holder, of 50% or more of the combined voting power of the Company's then outstanding voting securities;

(ii) within any 24-month period, the Incumbent Directors shall cease to constitute at least a majority of the Board or the board of directors of any successor to the Company; provided that any director elected to the Board, or nominated for election, by a majority of the Incumbent Directors then still in office shall be deemed to be an Incumbent Director for purposes of this clause (ii);

(iii) the merger or consolidation of the Company as a result of which persons who were owners of the voting securities of the Company immediately prior to such

merger or consolidation, or any Permitted Holder, do not, immediately thereafter, own, directly or indirectly, more than 50% of the combined voting power entitled to vote generally in the election of directors of the merged or consolidated company;

(iv) the approval by the Company's shareholders of the liquidation or dissolution of the Company other than a liquidation of the Company into any Subsidiary or a liquidation a result of which persons who were stockholders of the Company immediately prior to such liquidation, or any Permitted Holder, own, directly or indirectly, more than 50% of the combined voting power entitled to vote generally in the election of directors of the entity that holds substantially all of the assets of the Company following such event; or

(v) the sale, transfer or other disposition of all or substantially all of the assets of the Company to one or more persons or entities that are not, immediately prior to such sale, transfer or other disposition, affiliates of the Company or any Permitted Holder.

Notwithstanding the foregoing, a "Change in Control" for purposes of this Agreement shall not be deemed to occur if the Company files for bankruptcy, liquidation or reorganization under the United States Bankruptcy Code.

For purposes of the foregoing:

(i) "Permitted Holder" means the Related Parties and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members.

(ii) "Principal" means Carl Icahn.

(iii) "Related Party" or "Related Parties" means (A) the Principal and his siblings, his and their respective spouses and descendants (including stepchildren and adopted children) and the spouses of such descendants (including stepchildren and adopted children) (collectively, the "Family Group"); (B) any trust, estate, partnership, corporation, company, limited liability company or unincorporated association or organization (each an "Entity" and collectively "Entities") controlled by (to be interpreted consistent with the definition of "Affiliate") one or more members of the Family Group; (C) any Entity over which one or more members of the Family Group, directly or indirectly, have rights that legally enable them to make or veto significant management decisions with respect to such Entity, whether pursuant to the constituent documents of such Entity, by contract, through representation on a board of directors or other governing body of such Entity or in any other manner (such rights hereinafter referred to as "Veto Power"); (D) the estate of any member of the Family Group; (E) any trust created (in whole or in part) by any one or more members of the Family Group; (F) any individual or Entity who receives an interest in any estate or trust listed in clauses (D) or (E), to the extent of such interest; (G) any trust or estate, substantially all the beneficiaries of which (other than charitable organizations or foundations)

consist of one or more members of the Family Group; (H) any organization described in Section 501(c) of the Code, over which any one or more members of the Family Group and the trusts and estates listed in clauses (D), (E) and (G) have direct or indirect Veto Power, or to which they are substantial contributors (as such term is defined in Section 507 of the Code); (I) any organization described in Section 501(c) of the Code of which a member of the Family Group is an officer, director or trustee; or (J) any Entity, directly or indirectly (i) owned or controlled by (to be interpreted consistent with the definition of "Affiliate") or (ii) a majority of the economic interests in which are owned by, or are for or accrue to the benefit of, in either case, any Person or Persons identified in clauses (A) through (I) above.

6. Miscellaneous.

(a) Withholding. The Company or one of its Subsidiaries may require the Participant to remit to the Company an amount in cash sufficient to satisfy any applicable U.S. federal, state and local and non-U.S. tax withholding or other similar charges or fees that may arise in connection with the grant, vesting, exercise or purchase of the Options.

(b) Authorization to Share Personal Data. The Participant authorizes any Affiliate of the Company that employs the Participant or that otherwise has or lawfully obtains personal data relating to the Participant to divulge or transfer such personal data to the Company or to a third party, in each case in any jurisdiction, if and to the extent appropriate in connection with this Agreement or the administration of the Plan.

(c) No Rights as Stockholder; No Voting Rights. The Participant shall have no rights as a stockholder of the Company with respect to any shares of Common Stock covered by the Options until the exercise of the Options and delivery of the Common Stock. Subject to Section 4.4 of the Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the delivery of the Common Stock.

(d) No Right to Continued Employment. Nothing in this Agreement shall be deemed to confer on the Participant any right to continue in the employ of the Company or any Subsidiary, or to interfere with or limit in any way the right of the Company or any Subsidiary to terminate such employment at any time (regardless of whether such termination results in (i) the failure of any Award to vest; (ii) the forfeiture of any unvested or vested portion of any Award; and/or (iii) any other adverse effect on the individual's interests under the Plan). Nothing in the Plan or this Agreement shall confer on the Participant the right to receive any future Awards under the Plan.

(e) Non-Transferability of Options. The Options may be exercised only by the Participant (or, if the Participant is Disabled and if necessary, the Participant's legally authorized guardian or personal representative) during Participant's lifetime. The Options are not assignable or transferable, in whole or in part, and they may not, directly or indirectly, be offered, transferred, sold, pledged, assigned, alienated, hypothecated or otherwise disposed of or encumbered (including, but not limited to, by gift, operation of law or otherwise) other than by will or by the laws of descent and distribution to the estate of the Participant upon the

Participant's death or with the Company's consent. The Company shall not be required to recognize on its books any action taken in contravention of these restrictions.

(f) Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or express mail, return receipt requested, postage prepaid, or by any recognized international equivalent of such delivery, to the Company or the Participant, as the case may be, at the following addresses or to such other address as the Company or the Participant, as the case may be, shall specify by notice to the other:

(i) if to the Company, to it at:

Hertz Global Holdings, Inc.
8501 Williams Road
Estero, Florida 33928
Attention: General Counsel
Fax: (239) 301-6906

(ii) if to the Participant, to the Participant at his or her most recent address as shown on the books and records of the Company or Subsidiary employing the Participant.

All such notices and communications shall be deemed to have been received on the date of delivery if delivered personally or on the third business day after the mailing thereof.

(g) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(h) Waiver; Amendment.

(i) Waiver. Any party hereto or beneficiary hereof may by written notice to the other parties (A) extend the time for the performance of any of the obligations or other actions of the other parties under this Agreement, (B) waive compliance with any of the conditions or covenants of the other parties contained in this Agreement or (C) waive or modify performance of any of the obligations of the other parties under this Agreement. Except as provided in the preceding sentence, no action taken pursuant to this Agreement, including, without limitation, any investigation by or on behalf of any party or beneficiary, shall be deemed to constitute a waiver by the party or beneficiary taking such action of compliance with any representations, warranties, covenants or agreements contained herein. The waiver by any party hereto or beneficiary hereof of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by a party or beneficiary to exercise any right or privilege hereunder shall be deemed a waiver of such party's or beneficiary's

rights or privileges hereunder or shall be deemed a waiver of such party's or beneficiary's rights to exercise the same at any subsequent time or times hereunder.

(ii) Amendment. This Agreement may be amended from time to time by the Committee in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a material adverse effect on the Options as determined in the discretion of the Committee, except as provided in the Plan, or with the consent of the Participant. This Agreement may not be amended, modified or supplemented orally.

(i) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Company or the Participant without the prior written consent of the other party, for the avoidance of doubt, in the case of the Company, subject to Section 4.4 and Article IX of the Plan.

(j) Interpretation. The Committee shall have full power and discretion to construe and interpret the Plan (and any rules and regulations issued thereunder) and this Award. Any determination or interpretation by the Committee under or pursuant to the Plan or this Award shall be final and binding and conclusive on all persons affected hereby.

(k) Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation. By entering into this Agreement and accepting the Options evidenced hereby, the Participant acknowledges: (i) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (ii) that the Award does not create any contractual or other right to receive future grants of Awards; (iii) that participation in the Plan is voluntary; (iv) that the value of the Options is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; and (v) that the future value of the Common Stock is unknown and cannot be predicted with certainty.

(l) Consent to Electronic Delivery. By entering into this Agreement and accepting the Options evidenced hereby, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, this Agreement and the Options via Company web site or other electronic delivery.

(m) Clawback or Compensation Recovery Policy. Without limiting any other provision of this Agreement, and to the extent applicable, the Options granted hereunder shall be subject to any clawback policy or compensation recovery policy or such other similar policy of the Company in effect from time to time.

(n) Company Rights. The existence of the Options does not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, including that of its Affiliates, or any merger or consolidation of the Company or any Affiliate, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the

dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of the Company's or any Affiliate's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(o) Severability. If a court of competent jurisdiction determines that any portion of this Agreement is in violation of any statute or public policy, then only the portions of this Agreement which violate such statute or public policy shall be stricken, and all portions of this Agreement which do not violate any statute or public policy shall continue in full force and effect. Further, it is the parties' intent that any court order striking any portion of this Agreement should modify the terms as narrowly as possible to give as much effect as possible to the intentions of the parties' under this Agreement.

(p) Further Assurances. The Participant agrees to use his or her reasonable and diligent best efforts to proceed promptly with the transactions contemplated herein, to fulfill the conditions precedent for the Participant's benefit or to cause the same to be fulfilled and to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated herein.

(q) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware regardless of the application of rules of conflict of law that would apply the laws of any other jurisdiction.

(r) Section and Other Headings, etc. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(s) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)**

I, Kathryn V. Marinello, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2018 of Hertz Global Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2018

By: /s/ KATHRYN V. MARINELLO

Kathryn V. Marinello

President, Chief Executive Officer and Director

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)**

I, Thomas C. Kennedy, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2018 of Hertz Global Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2018

By: /s/ THOMAS C. KENNEDY
Thomas C. Kennedy
Senior Executive Vice President and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)**

I, Kathryn V. Marinello, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2018 of The Hertz Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2018

By: /s/ KATHRYN V. MARINELLO

Kathryn V. Marinello

President, Chief Executive Officer and Director

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)**

I, Thomas C. Kennedy, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2018 of The Hertz Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2018

By: /s/ THOMAS C. KENNEDY

Thomas C. Kennedy

Senior Executive Vice President and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the quarterly report of Hertz Global Holdings, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kathryn V. Marinello, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Report, to which this statement is furnished as an Exhibit, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2018

By: /s/ KATHRYN V. MARINELLO

Kathryn V. Marinello
President, Chief Executive Officer and Director

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the quarterly report of Hertz Global Holdings, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas C. Kennedy, Senior Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Report, to which this statement is furnished as an Exhibit, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2018

By: /s/ THOMAS C. KENNEDY

Thomas C. Kennedy
Senior Executive Vice President and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the quarterly report of The Hertz Corporation (the "Company") on Form 10-Q for the period ending June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kathryn V. Marinello, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Report, to which this statement is furnished as an Exhibit, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2018

By: /s/ KATHRYN V. MARINELLO

Kathryn V. Marinello
President, Chief Executive Officer and Director

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the quarterly report of The Hertz Corporation (the "Company") on Form 10-Q for the period ending June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas C. Kennedy, Senior Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Report, to which this statement is furnished as an Exhibit, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2018

By: /s/ THOMAS C. KENNEDY

Thomas C. Kennedy
Senior Executive Vice President and Chief Financial Officer