UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **May 7, 2021 (May 4, 2021))**

HERTZ GLOBAL HOLDINGS, INC.
THE HERTZ CORPORATION
(Exact name of registrant as specified in its charter)

Delaware **Delaware** (State or other jurisdiction of incorporation)	**001-37665** **001-07541** (Commission File Number)	**61-1770902** **13-1938568** (I.R.S. Employer Identification No.)

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.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

	Title of Each Class	**Trading Symbol(s)**	**Name of Each Exchange on which Registered**
Hertz Global Holdings, Inc.	Common Stock par value $0.01 per share	HTZGQ	*
The Hertz Corporation	None	None	None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has 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. ☐

* Hertz Global Holdings, Inc.'s common stock began trading exclusively on the over-the-counter market on October 30, 2020 under the symbol HTZGQ.

Item 7.01 Regulation FD Disclosure.

On May 22, 2020 (the "Petition Date"), Hertz Global Holdings, Inc. (the "Company", "HGH" or "we"), The Hertz Corporation ("THC") and certain of their direct and indirect subsidiaries in the U.S. and Canada (collectively the "Debtors") filed voluntary petitions for relief (collectively, the "Petitions") under chapter 11 of title 11 ("Chapter 11") of the United States Code (the "Bankruptcy Code") in the U.S. Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Chapter 11 cases (the "Chapter 11 Cases") are being jointly administered for procedural purposes only under the caption *In re The Hertz Corporation*, et al., Case No. 20-11218 (MFW). Additional information about the Chapter 11 Cases, including access to documents filed with the Bankruptcy Court, is available online at https://restructuring.primeclerk.com/hertz, a website administered by Prime Clerk, LLC ("Prime Clerk"), a third-party bankruptcy claims and noticing agent. The information on that website is not incorporated by reference and does not constitute part of this Current Report on Form 8-K.

The Debtors filed with the Bankruptcy Court a proposed Joint Chapter 11 Plan of Reorganization of the Debtors, dated as of March 1, 2021, and a related proposed Disclosure Statement. The Debtors subsequently filed with the Bankruptcy Court a proposed First Amended Joint Chapter 11 Plan of Reorganization of the Debtors and a related proposed Disclosure Statement, in each case dated as of March 29, 2021; a proposed Second Amended Joint Chapter 11 Plan of Reorganization of the Debtors and a related proposed Disclosure Statement, in each case dated as of April 3, 2021; a proposed Modified Second Amended Joint Chapter 11 Plan of Reorganization of the Debtors and a related proposed Disclosure Statement, in each case dated as of April 10, 2021; a proposed Second Modified Second Amended Joint Chapter 11 Plan of Reorganization of the Debtors and a related proposed Disclosure Statement, dated as of April 14, 2021 and April 15, 2021, respectively; a proposed Third Modified Second Amended Joint Chapter 11 Plan of Reorganization of the Debtors and a related proposed Disclosure Statement, in each case dated as of April 16, 2021; and a proposed Fourth Modified Second Amended Joint Chapter 11 Plan of Reorganization of the Debtors and a related proposed Disclosure Statement, in each case dated as of April 21, 2021, which Disclosure Statement the Debtors further updated on April 21, 2021. On April 22, 2021, the Debtors filed the solicitation version of the Fourth Modified Second Amended Joint Chapter 11 Plan of Reorganization of the Debtors (the "Proposed Plan"), and the solicitation version of the Disclosure Statement (the "Disclosure Statement").

The information contained in this Item 7.01shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and shall not be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Exchange Act, except as may be expressly set forth by specific reference in such filing.

Item 8.01 Other Events.

As previously disclosed, on the Petition Date, the Debtors filed voluntary petitions for relief under Chapter 11 of the United States Code in the Bankruptcy Court, thereby commencing the Chapter 11 Cases for the Debtors. The cases are being jointly administered under the caption *In re The Hertz Corporation*, et al., Case No. 20-11218 MFW.

The Disclosure Statement describes, among other things, the events leading to the Chapter 11 Cases; the Debtors' contemplated financial restructuring (the "Restructuring"); the Proposed Plan; certain events that have occurred or are anticipated to occur during the Chapter 11 Cases, including the solicitation of votes to approve the Proposed Plan from certain of the Debtors' stakeholders; certain risk factors related to the Proposed Plan; certain tax considerations; and certain other aspects of the Restructuring. The Disclosure Statement and solicitation procedures with respect to the Proposed Plan were approved by the Bankruptcy Court at a hearing held on April 21, 2021 and an order to that effect was entered on April 22, 2021. The Proposed Plan is now subject to a vote by the Debtors' stakeholders and a subsequent confirmation hearing of the Bankruptcy Court, currently scheduled for June 10, 2021. In addition to approval by the Bankruptcy Court, consummation of the Proposed Plan remains subject to the satisfaction of other conditions as set forth therein.

Under the Proposed Plan, Centerbridge Partners, L.P., Warburg Pincus LLC, and Dundon Capital Partners, LLC (collectively, the "PE Sponsors") and certain holders of over 85% of the Debtors' unsecured notes (the "Supporting Noteholders," and together with the PE Sponsors the "Plan Sponsors") have committed to provide equity capital to fund the Debtors' exit from Chapter 11 as reflected in definitive executed documents, including (1) an Equity Purchase and Commitment Agreement (the "EPCA"), (2) a Plan Support Agreement and (3) a Bridge Financing Commitment for Hertz International Ltd. (collectively, along with the Proposed Plan and the Disclosure Statement, the "Transaction Documents"). Under the Proposed Plan, the Debtors anticipate exiting from chapter 11 with approximately $2.2 billion of global liquidity (inclusive of capacity under the anticipated exit revolving credit facility) and only $1.3 billion in corporate debt (exclusive of ABS facilities and the exit revolving credit facility).

The Proposed Plan is supported by the Supporting Noteholders, which comprise the vast majority of creditors in the largest class of claims that are voting on the Proposed Plan, and the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases.

- As set forth in the Transaction Documents, the Proposed Plan will raise approximately $3.873 billion in cash proceeds, comprised of:
  - $565 million from the purchase of common stock in the reorganized Company by the Plan Sponsors at a per share price based on a 6.7% discount to the Proposed Plan equity value of approximately $4.525 billion ("Proposed Plan Equity Value");
  - $1.623 billion from the purchase of common stock (at the same purchase price for the common stock to be purchased by the Plan Sponsors, *i.e.* a 6.7% discount to Proposed Plan Equity Value) pursuant to the rights offering contemplated by the Plan, which the Plan Sponsors have committed to ensure is fully funded pursuant to the terms of the EPCA;
  - $385 million from the purchase of convertible preferred stock by Plan Sponsors Centerbridge Partners, L.P. and Warburg Pincus LLC
    - the preferred stock compounds quarterly at 4% per annum for the first three years after issuance, payable in kind, and without interest thereafter, has a conversion price based on a pre-conversion equity valuation of $4.826 billion, cannot be redeemed for the first three years (except in connection with certain change of control transactions), generally votes on an as-converted basis with shares of common stock, and is mandatorily convertible after the first anniversary of issuance based on a volume weighted average trading price formula; and
  - $1.3 billion in proceeds from the anticipated new exit term loan facility.
- Such cash proceeds will be used, in part, to provide the following distributions to the Company's stakeholders pursuant to the terms of the Proposed Plan:
  - administrative, priority and secured claims will be paid in cash in full;
  - the holders of the Company's €725 million European Vehicle Notes will be paid in cash in full;
  - the holders of claims with respect to the unsecured Senior Notes and holders of claims with respect to the letter of credit facility provided pursuant to the ALOC Credit Agreement, dated as of December 13, 2019, by and among Hertz, the lenders party thereto, and Goldman Sachs Mortgage Company, as administrative agent and issuing lender, (together with the Senior Notes, the "Unsecured Funded Debt") will receive approximately 48.2% of the common stock in the reorganized Company and subscription rights to purchase an additional $1.623 billion of common stock in the reorganized entity;
  - the holders of general unsecured claims will receive cash payments of not more than $550 million in the aggregate, which the Company estimates will provide a recovery of approximately 100 percent on account of the anticipated amount of allowed general unsecured claims; and
  - the Company's existing equity will be cancelled and existing equity holders will receive their pro rata share of new six-year warrants to purchase, in the aggregate, 4% of the reorganized Company's common stock, subject to certain conditions, with an exercise price to be determined based on an equity value of the Company of $6.1 billion (the "Proposed Warrants").

The shares of common stock to be issued pursuant to the Proposed Plan described above, will be subject to dilution from, among other things, (1) the issuance of shares upon the conversion of the preferred stock, (2) the issuance of shares pursuant to the Proposed Warrants, and (3) shares that may be issued pursuant to a management incentive plan for at least 5% of the common stock of the reorganized Company.

In light of continuing interest from an alternative potential plan sponsorship group, consisting of Certares Opportunities LLC ("Certares"), Knighthead Capital Management, LLC ("Knighthead"), Apollo Capital Management, LP ("Apollo"), and certain of each of their affiliates (together with Certares, Knighthead, and Apollo, the "Alternative Sponsor Group"), on April 28, 2021 the Bankruptcy Court entered an order (the "Bid Procedures Order") that, among other things, establishes bidding and auction procedures relating to the submission of alternative plan proposals.

On May 2, 2021, the Alternative Sponsor Group submitted an alternative plan proposal to the Debtors (the "Alternative Plan Proposal") along with proposed alternative transaction documents (the "Alternative Transaction Documents").

- As set forth in the Alternative Transaction Documents, the Alternative Plan will raise approximately $7.089 billion in cash proceeds, comprised of:
  - $2.929 billion from the purchase of common stock in the reorganized Company by the Alternative Sponsor Group and other third parties;
  - $1.500 billion from the purchase of preferred stock arranged by Apollo;
  - $1.360 billion from the purchase of common stock pursuant to a rights offering which the Alternative Sponsor Group and certain third parties have committed to ensure is fully funded pursuant to the Transaction Documents; and
  - $1.300 billion in proceeds from the anticipated exit term loan facility.
- Such cash proceeds will be used, in part, to provide the following distributions to the Company's stakeholders:
  - administrative, priority and secured claims will be paid in cash in full;
  - the holders of the Company's €725 million European Vehicle Notes will be paid in cash in full;
  - holders of Unsecured Funded Debt Claims will be paid in cash in full and eligible holders of such claims will have the right to purchase their pro rata share of the unsubscribed shares in the rights offering with an exercise price that is the same as the purchase price for the common stock to be purchased by the Alternative Sponsor Group;
  - the holders of general unsecured claims will receive cash payments of not more than $550 million in the aggregate, which the Company estimates will provide a recovery of approximately 100 percent on account of the anticipated amount of allowed general unsecured claims; and
  - the Company's existing equity will be cancelled and existing equity holders will receive cash in an amount equal to $0.50 per share of their existing interest and their pro rata share of either (1) 10-year warrants for an aggregate of 10% of the reorganized Company, subject to certain conditions, with an exercise price to be determined based on an equity value of the Company of $6.5 billion (the "Alternative Warrants"), or (2) for eligible existing equity holders, the right to purchase shares of common stock in the rights offering with an exercise price that is the same as the purchase price for the common stock to be purchased by the Alternative Sponsor Group.

The subscription rights proposed to be provided pursuant to the Alternative Plan Proposal would offer eligible existing equity holders and, to the extent there are unsubscribed shares after the exercise of such rights by eligible existing equity holders, unsecured funded debt holders the right to purchase common stock at a per share price based on an Alternative Plan Proposal equity value of approximately $4.425 billion ("Alternative Plan Equity Value"). The Alternative Sponsor Groups' commitment to directly purchase common stock of the reorganized Company is at the same per share price offered pursuant to the rights offering (*i.e.*, at the Alternative Plan Equity Value), but the parties providing a backstop to the rights offering are entitled to a 10% backstop premium paid in common stock.

The shares of common stock to be issued pursuant to the Alternative Plan Proposal described above will be subject to dilution from, among other things, (1) the issuance of shares pursuant to the Alternative Warrants and (2) shares that may be issued pursuant to a management incentive plan for at least 5% of the common stock of the reorganized Company.

The preferred stock to be issued and purchased pursuant to the Alternative Plan Proposal would be issued at a 2% discount to stated value. Dividends on the preferred stock would be paid in cash as and if declared by the board of directors of the reorganized Company. Any portion of the dividends not paid in cash would automatically accrete to and increase the stated value of the preferred stock. Any failure to pay dividends in cash after the 42 month anniversary of issuance would be a "non-compliance event" subject to the provisions described below. The applicable dividend rate would be as follows:

- prior to the second anniversary of issuance, 9% per annum;
- after the second anniversary of issuance and on or prior to the third anniversary of issuance, for any portion paid in cash, 7% per annum and for any portion paid in kind, 9% per annum;
- after the third anniversary of issuance and on or prior to the 42 month anniversary of issuance, for any portion paid in cash, 8% per annum and for any portion paid in kind, 10% per annum;
- after the 42 month anniversary of issuance and on or prior to the four year anniversary of issuance, 9% per annum;
- after the fourth anniversary of issuance and on or prior to the 54 month anniversary of issuance, for 10% per annum;
- after the 54 month anniversary of issuance and on or prior to the five year anniversary of issuance, 11% per annum; and
- after the fifth anniversary of issuance an amount equal to the sum of (a) 13% per annum and (b) the product of (x) 2% per annum multiplied by (y) the number of whole years elapsed since the fifth anniversary of issuance.

The preferred stock would be redeemable by the reorganized Company at any time at the greater of 100% of its accrued value and an amount necessary to generate a 1.3 times multiple on invested capital.

The preferred stock would include certain protective covenants related to, among other things, the reorganized Company's capital structure and financial covenants that are consistent with the financial covenants included in the proposed exit term loan facility. If the reorganized Company fails to comply with such protective provisions, a "non-compliance event" would occur, which would trigger certain consequences set forth more fully in the terms of the preferred stock. This description of the terms of the preferred stock is not complete and is qualified in its entirety by reference to the term sheet for the preferred stock attached to this Form 8-K as Exhibit 99.1.

At a meeting of the board held on May 4, 2021, the Company determined that the Alternative Plan Proposal constitutes a "Superior Proposal" as that term is defined under the Debtors' Equity Purchase and Commitment Agreement with the Plan Sponsors dated as of April 3, 2021 and approved by the Bankruptcy Court on April 22, 2021. Pursuant to the Bid Procedures Order, the Plan Sponsors have indicated that they intend to counter the Alternative Plan Proposal. An auction (the "Auction") will be conducted on May 10, 2021. A hearing before the Bankruptcy Court to approve the results of the Auction along with supplemental solicitation materials, if any, will be conducted on May 14, 2021.

This Current Report on Form 8-K is not a solicitation of votes to accept or reject the Proposed Plan or the Alternative Plan Proposal. Information contained in the Proposed Plan, the Disclosure Statement, or described in this Current Report on Form 8-K is subject to change, whether as a result of additional amendments or supplements to the Proposed Plan or Disclosure Statement or otherwise. The documents and other information available via website or elsewhere are not part of this Current Report on Form 8-K and shall not be deemed incorporated herein.

Cautionary Statement Concerning Forward-Looking Statements

This Current Report contains "forward-looking statements" within the meaning of federal securities laws. Words such as "expect" and "intend" and similar expressions identify forward-looking statements, which include but are not limited to statements related to our liquidity and potential financing sources; the bankruptcy process; our ability to obtain approval from the Bankruptcy Court with respect to motions or other requests made to the Bankruptcy Court throughout the course of the Chapter 11 Cases; the effects of Chapter 11 on the interests of various constituents; and the ability to confirm and consummate a plan of reorganization. We caution you that these statements are not guarantees of future performance and are subject to numerous evolving risks and uncertainties that we may not be able to accurately predict or assess, including those in our risk factors that we identify in our most recent annual report on Form 10-K for the year ended December 31, 2020, as filed with the Securities and Exchange Commission on February 26, 2021, and any updates thereto in the Company's quarterly reports on Form 10-Q and current reports on Form 8-K. We caution you not to place undue reliance on our forward-looking statements, which speak only as of their date, and we undertake no obligation to update this information.

Item 9.01 Exhibits.

(d) Exhibits

Exhibit Number	Title
99.1	Preferred Stock Term Sheet
101.1	Pursuant to Rule 406 of Regulation S-T, the cover page to this Current Report on Form 8-K is formatted in Inline XBRL
104.1	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101.1)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HERTZ GLOBAL HOLDINGS, INC.
THE HERTZ CORPORATION

(each, a Registrant)

By: /s/ M. David Galainena
Name: M. David Galainena
Title: Executive Vice President, General Counsel and Secretary

Date: May 7, 2021

Exhibit 99.1

ANNEX A

Shares of Preferred Stock
Summary of Principal Terms and Conditions[1]

Issuer	Hertz Global Holdings, Inc., a Delaware corporation and a debtor and debtor-in-possession in a Chapter 11 case currently pending in the United States Bankruptcy Court for the District of Delaware, docketed as Case No. 20-11218 (MFW) (Jointly Administered), as reorganized pursuant to the Plan (the "Issuer").
Security; Stated Value	A newly-created series of cumulative perpetual non-convertible preferred stock issued by the Issuer (the "Preferred Stock") having, as of the Closing Date, an aggregate initial stated value of $1,500,000,000 (the "Direct Investment Preferred Amount") and an initial stated value per share of $1,000. From and after the Closing Date, the stated value of the Preferred Stock shall increase by the amount of any Compounded Dividends (as defined below) (the "Stated Value"). The purchase price paid by the Investors for the Preferred Stock on the Closing Date shall be the initial Stated Value thereof net of any applicable Purchase Discount/Upfront Fee described below. The "Accrued Stated Value" will be an amount equal to the sum of (i) the then-current Stated Value plus (ii) any accrued but unpaid Preferred Dividends (as defined below), pro-rated for the elapsed portion of the applicable semi-annual period.
Investors	A syndicate of institutions assembled by one or more affiliates of Apollo Capital Management, L.P. ("ACM") in its or their sole discretion, including one or more funds, accounts or other clients managed by ACM or its affiliates, but excluding any Prohibited Transferee (as defined below) (such institutions, collectively, the "Investors"); provided, that prior to the Closing, any Investor may only transfer its Direct Investment Preferred Commitment in accordance with the Purchase Agreement.
Priority, Preference and Ranking	The Preferred Stock shall have a payment priority, liquidation preference and ranking senior to any other class or series of equity securities of the Issuer.
Use of Proceeds	The proceeds of the issuance of Preferred Stock will be used, together with cash on hand and the proceeds of certain debt and equity financings contemplated by the Plan, to retire certain outstanding indebtedness of the Issuer and its subsidiaries in accordance with the Plan and to pay fees and expenses in connection with the consummation of the Plan. Any excess proceeds shall be used by the Issuer and its subsidiaries for working capital and general corporate purposes.

[1] Capitalized terms used but not defined in this Annex 1 shall have the meanings set forth in the Equity Purchase and Commitment Agreement (the "Purchase Agreement") to which this Summary of Principal Terms and Conditions is attached.

Purchase Discount/Upfront Fee

2.00% of the initial Stated Value of the Preferred Stock on the Closing Date, which the Investors shall be permitted, in their discretion, to take in the form of a discount to the purchase price of the Preferred Stock or as an upfront fee (the "Purchase Discount/Upfront Fee").

Dividends

(a) Shares of Preferred Stock shall accrue a dividend, payable semi-annually in arrears (with the first dividend paid on the six month anniversary of the Closing Date), in an amount equal to (x) the applicable Dividend Rate (as defined below) multiplied by (y) the then-current Stated Value (each such dividend, whether or not declared, a "Preferred Dividend").

(b) The Preferred Dividend shall accrue on a daily basis from the Closing Date, shall be computed on the basis of a 365-day year and the actual days elapsed and shall be payable or capitalized, as applicable, on the last business day of each semi-annual period. Except as described in the penultimate sentence of this paragraph, for each semi-annual period, the Issuer shall pay the Preferred Dividend in cash; provided, that all or any portion of the Preferred Dividend will only be paid in cash when, as and if declared by the board of directors of the Issuer and to the extent permitted by Law. Unless all of the Preferred Dividend in respect of a semi-annual period is declared by the board of directors of the Issuer and paid in cash, the portion of the Preferred Dividend that is not declared and paid in cash shall automatically be accreted to, and increase, the Stated Value effective on the last business day of each applicable semi-annual period (such amounts, "Compounded Dividends") and such increase in Stated Value shall itself thereafter accrue dividends in accordance with clause (a) above. For the avoidance of doubt, failure to pay any Preferred Dividend in cash after the 42-month anniversary of the Closing Date shall constitute a "Non-Compliance Event" and shall be subject to the provisions set forth under such heading herein.

"Dividend Rate" shall mean, subject to the provisions described under "Non-Compliance Events" below, (i) with respect to a Preferred Dividend accrued on or prior to the second anniversary of the Closing Date, 9.00% per annum, (ii) with respect to a Preferred Dividend accrued after the second anniversary of the Closing Date and on or prior to the third anniversary of the Closing Date, (a) for any portion of the Preferred Dividend paid in cash, 7.00% per annum and (b) for any portion of the Preferred Dividend paid as a Compounded Dividend, 9.00% per annum, (iii) with respect to the Preferred Dividend accrued after the third anniversary of the Closing Date and on or prior to the 42-month anniversary of the Closing Date, (a) for any portion of the Preferred Dividend paid in cash, 8.00% per annum and (b) for any portion of the Preferred Dividend paid as a Compounded Dividend, 10.00% per annum, (iv) with respect to the Preferred Dividend accrued after the 42-month anniversary of the Closing Date and on or prior to the fourth anniversary of the Closing Date, 9.00% per annum, (v) with respect to the Preferred Dividend accrued after the fourth anniversary of the Closing Date and on or prior to the 54 month anniversary of the Closing Date, 10.00% per annum, (vi) with respect to the Preferred Dividend accrued after the 54-month anniversary of the Closing Date and on or prior to the fifth anniversary of the Closing Date, 11.00% per annum and (vii) with respect to a Preferred Dividend accrued after the fifth anniversary of the Closing Date, an amount equal to the sum of (a) 13.00% per annum and (b) the product of (x) 2.00% per annum multiplied by (y) the number of whole years elapsed since the fifth anniversary of the Closing Date through and including such dividend payment date; provided that each of the foregoing rates shall be increased by 6.00% per annum at any time that the funded corporate Indebtedness of the Issuer, the OpCo Borrower and its restricted subsidiaries exceeds $3,300,000,000 (the "Indebtedness Step-Up").

Call Protection

The Issuer may redeem the Preferred Stock in whole or in part at any time (and from time to time), in cash, at the Redemption Price (as defined below) in effect as of the redemption date.

The "Redemption Price" means the greater of (x) 100.00% of the then current Accrued Stated Value of the Preferred Stock being redeemed and (y) the amount necessary, if any, to result in a MOIC (as defined below) of 1.30x with respect to the Preferred Stock being redeemed.

"MOIC" shall mean with respect to a share of Preferred Stock, a multiple on invested capital equal to the quotient determined by dividing (A) the sum of (w) the aggregate amount of all Preferred Dividends made in cash with respect to such share of Preferred Stock on or prior to the applicable date of determination (other than any dividends paid in cash in respect of any Step-Up (as defined below)) plus (x) the ratable portion of any original issue discount or upfront fees paid to the Investors on the Closing Date (but excluding the advisory fee payable pursuant to that certain Engagement Letter between Apollo Global Securities, LLC and The Hertz Corporation dated May 2, 2021) allocable to such share of Preferred Stock plus (y) 100% of the Accrued Stated Value of such share of Preferred Stock (other than any Accrued Stated Value attributable to any Step-Up) plus (z) any premium paid with respect to such share of Preferred Stock by (B) $1,000.

(a) Any partial redemption of the Preferred Stock will be in amounts of shares with no less than $250.0 million aggregate Accrued Stated Value as of the time of such redemption (unless the aggregate then current aggregate Accrued Stated Value of the Preferred Stock is equal to or less than $250.0 million, in which case any such redemption will redeem all of the then outstanding Preferred Stock).

(b) The Issuer and its subsidiaries shall make any such redemptions or any other repurchases of the Preferred Stock only on a pro rata basis.

Liquidation Redemption

In the event of any liquidation, dissolution or winding up of the Issuer, the Issuer shall be required to offer to redeem all of the outstanding Preferred Stock in cash at the then-applicable Redemption Price.

No Mandatory Redemption

The Investors shall not have the right to require the Issuer to offer to redeem all or a portion of the Preferred Stock.

Information Rights

The Investors will be entitled to customary information rights to be mutually agreed (but in any event to include all recurring financial information and material notices furnished to the lenders under the Exit Revolving Credit Facility or the Exit Term Loan Facility (or, in each case, any indebtedness incurred to refinance the same) (collectively, the "Exit Facilities") on the same schedule as the lenders under the Exit Facilities receive such information). Upon request, the Preferred Equity Plan Sponsor shall be entitled to receive any information provided to the Issuer's board of directors, subject to customary exceptions and limitations. In addition, the Preferred Equity Plan Sponsor will be entitled to customary inspection rights (which inspections shall be consistent with and permitted no less frequently than the inspection rights under the Exit Facilities and subject to customary limitations and exceptions).

Voting Rights

Investors will have no voting rights, except as required by Law (including Section 1123(a)(6) of the U.S. Bankruptcy Code) or as set forth under "Protective Provisions" or "Non-Compliance Events" below.

Protective Provisions

Without the prior written consent of the holders of a majority of the Stated Value of the outstanding shares of Preferred Stock (the "Preferred Majority Holders"):

i. the Issuer shall not amend, alter or repeal any provisions of its certificate of incorporation or by-laws in a manner that adversely affects the rights, preferences or privileges of the Preferred Stock;

ii. the Issuer shall not liquidate, dissolve or wind up its business and affairs;

iii. the Issuer shall not create, authorize or issue (by reclassification or otherwise) any equity security having rights, preferences or privileges ranking senior to the Issuer's common stock issued on the Closing Date (other than the Preferred Stock issued on the Closing Date), or any security convertible into or exchangeable for any such equity security; provided that the Issuer shall be permitted to issue equity securities having rights, preferences or privileges ranking senior to the Issuer's common stock to the extent the proceeds thereof are to be applied substantially contemporaneously to the redemption in full in cash of the Preferred Stock in accordance with the terms hereof (and provided that all shares of Preferred Stock shall be redeemed in connection therewith);

iv. the Issuer shall not create, authorize or issue any additional shares of Preferred Stock or any series thereof;

v. the Issuer shall not consummate any asset sales (including the issuance or sale of any equity securities of a subsidiary to a third party) other than certain ordinary course exceptions to be mutually agreed. The Issuer shall not allow The Hertz Corporation (the "OpCo Borrower") nor any of its restricted subsidiaries to make any asset sales, subject to exceptions consistent with the exceptions set forth in the Exit Facilities as in effect on the Closing Date (it being understood that the definitive documentation governing the Preferred Stock shall include an "asset sale sweep" provision substantially consistent with the definitive documentation governing the Exit Facilities in effect as of the Closing Date, which shall require that the Issuer and its restricted subsidiaries redeem the Preferred Stock with excess net cash proceeds of asset sales to the extent (i) such proceeds are not applied to reinvestment in the business or satisfaction of funded debt obligations within the periods specified under the Exit Facilities as in effect on the Closing Date and (ii) such payment is permitted under the Exit Facilities at such time);

vi. the Issuer and its restricted subsidiaries shall be prohibited from entering into or modifying any transaction or agreement with an affiliate of the Issuer (other than transactions among the Issuer and its restricted subsidiaries), unless at on terms no less favorable to the Issuer or such subsidiary than would be obtained by the Issuer or such subsidiary from an unrelated third party on an arm's length basis, subject to certain exceptions consistent with the exceptions under the Exit Facilities as in effect on the Closing Date (including for transactions approved by a majority of disinterested directors);

vii. the Issuer shall not merge or consolidate with, or dispose of all or substantially all of its assets to, any other person;

viii. the Issuer and its restricted subsidiaries shall not be permitted to (i) pay dividends or other distributions on any equity interests of the Issuer (other than the Preferred Stock) or its restricted subsidiaries (other than any dividends to the Issuer to allow the Issuer to pay dividends on the Preferred Stock), or (ii) repurchase or redeem any securities having rights, preferences or privileges ranking junior to the Preferred Stock (including common stock) (clauses (i) and (ii), collectively, "Restricted Payments"); provided, however, the Issuer and its restricted subsidiaries shall be permitted to make additional customary Restricted Payments to be mutually agreed (including repurchases of common stock or options from present or former officers, directors or employees, expense reimbursements and permitted tax payments consistent with the terms of the Exit Facilities in effect on the Closing Date), which in any event shall include the ordinary course exceptions set forth in the Exit Facilities as in effect on the Closing Date;

ix. the Issuer shall not be permitted to make Investments (defined in a manner consistent with the Exit Facilities as in effect on the Closing Date), other than ordinary course Investments to be mutually agreed. The Issuer shall not permit the OpCo Borrower or its restricted subsidiaries to make Investments, other than Investments that are permitted by the Exit Facilities as in effect on the Closing Date;

x. the Issuer shall not incur any Indebtedness (defined in a manner consistent with the Exit Facilities as in effect on the Closing Date) other than ordinary course Indebtedness to be mutually agreed. The Issuer shall not allow the OpCo Borrower nor any of its restricted subsidiaries to incur any Indebtedness, nor issue any series of preferred stock, except Indebtedness of the OpCo Borrower and its restricted subsidiaries permitted under the Exit Facilities as in effect on the Closing Date (including, without limitation, unlimited Indebtedness subject to the Unsecured Ratio Incurrence Test, as defined in the Exit Facilities as in effect on the Closing Date); and

xi. the Issuer and its restricted subsidiaries shall continue to engage in business of the same general type as conducted by the Issuer and its restricted subsidiaries on the Closing Date, taken as a whole.

The definitive documentation governing the Preferred Stock shall include provisions governing designation of "unrestricted" subsidiaries consistent with those under the Exit Facilities as in effect as of the Closing Date.

For the avoidance of doubt, references herein to the Exit Facilities as in effect on the Closing Date shall be deemed to refer to the terms of the Exit Facilities reflected in the commitment letter dated as of the date hereof executed by and between the OpCo Borrower and the commitment parties party thereto. To the extent that any of the baskets in the Exit Facilities are adjusted downward or eliminated as a result of the exercise of any "flex" rights with respect thereto or otherwise, the corresponding baskets (if any) in the definitive documentation governing the Preferred Stock shall be correspondingly reduced or eliminated.

[2] For example, if the Issuer's board of directors was previously comprised of six directors, it shall be increased to nine directors.

Non-Compliance Events and Forced Exit Transaction

Following the occurrence and during the continuance of any "Non-Compliance Event":

(i) The Stated Value of the Preferred Stock shall accrete by an additional 0.50% per month (a "Non-Compliance Step-Up" and, together with an Indebtedness Step-Up, the "Step-Ups");

(ii) Commencing on the 30th day of a Non-Compliance Event, the Issuer's governing documents shall provide that the size of the Issuer's board of directors shall be automatically increased by 50% (rounded upward, if necessary, due to an odd number of initial directors)[2], and the newly created vacancies shall be filled by the Issuer's board of directors from nominees proposed by the Preferred Majority Holders (which shall propose two nominees for each such vacancy);

(iii) Commencing on the later to occur of (x) the 60th day of a Non-Compliance Event and (y) the end of the Relief Period under, and as defined in, the Exit Facilities as in effect on the Closing Date, the Issuer will initiate a process to consummate (each, a "Forced Exit Transaction"):

a. An underwritten public offering of shares of common stock of the Issuer, or other capital raise by the Issuer, in each case the net cash proceeds of which shall be used to redeem the Preferred Stock in accordance with the terms hereof; or

b. a sale as a result of which the Issuer shall have sufficient cash on hand to redeem the Preferred Stock in accordance with the terms hereof (and the net cash proceeds of which shall be so applied);

provided that the Issuer shall not be permitted to consummate any Forced Exit Transaction without the consent of the Preferred Majority Holders to the extent that the proceeds thereof would be insufficient to redeem the Preferred Stock in full in cash in accordance with the terms hereof;

(iv) Commencing on the 270th day of a Non-Compliance Event:

a. The Issuer's governing documents shall provide that the size of the Issuer's board of directors shall be automatically further increased so that the number of directors shall be double the number of directors as of immediately before the first increase relating to such Non-Compliance Event plus one additional director, and the newly created vacancies shall be filled by the Issuer's board of directors from nominees proposed by the Preferred Majority Holders (which shall propose two nominees for each such vacancy) (the "Majority Board Proposal Right");

b. The board of directors of the Issuer, as reconstituted pursuant to clause (a) above, shall, to the extent the Relief Period is no longer in effect, pursue a Forced Exit Transaction and shall take all actions consistent with their fiduciary duties necessary to consummate such a transaction (provided that the Issuer shall not be permitted to consummate any Forced Exit Transaction without the consent of the Preferred Majority Holders to the extent that the proceeds thereof would be insufficient to redeem the Preferred Stock in full in cash in accordance with the terms hereof); and

c. Shares of Preferred Stock shall be entitled to vote with the shares of common stock of the Issuer on an "as-if" converted basis, and shall be treated by the Issuer's governing documents as holding 51% of the then-outstanding voting capital stock of the Issuer; provided that to the extent such voting of shares of Preferred Stock is not permitted by applicable rules of the stock exchange on which the common stock of the Issuer is listed, the Issuer and the Preferred Majority Holders shall cooperate reasonably and in good faith to implement an alternate arrangement that most closely approximates the foregoing (collectively, the "Majority Voting Right").

To the extent that more than one Non-Compliance Event shall be continuing at any time, the above-described periods shall commence on the date of the first Non-Compliance Event and shall continue until such time as all Non-Compliance Events have been cured or waived.

Each holder of Preferred Stock shall have the rights and remedies set forth in the definitive documentation governing the Preferred Stock, and rights and remedies under applicable law or at equity.

"Non-Compliance Event" shall mean, subject, as appropriate, to customary cure rights and grace periods to be mutually agreed (but in no event more restrictive than those set forth in the Exit Facilities as in effect on the Closing Date):

a. Failure to pay (i) each Preferred Dividend in cash following the 42-month anniversary of the Closing Date, (ii) any Preferred Dividend when due or (iii) any redemption premium when due;

b. Failure to comply with any of the "Protective Provisions" described above;

c. The occurrence of a Change of Control (to be defined in a manner consistent with the definition thereof under the Exit Facilities as in effect on the Closing Date);

d. Insolvency events (to be consistent with the corresponding events of default under the Exit Facilities as in effect on the Closing Date); and

e. Other customary defaults (including with respect to inaccuracy of representations and warranties) (to be consistent with the corresponding events of default under the Exit Facilities as in effect on the Closing Date).

From and after the 87-month anniversary of the Closing Date, to the extent any shares of Preferred Stock remain outstanding and irrespective of whether a Non-Compliance Event shall have occurred and be continuing, the Preferred Majority Holders shall be entitled to the Non-Compliance Step-Up, the Majority Board Proposal Right and the Majority Voting Right, and the Issuer shall initiate a process to promptly consummate a Forced Exit Transaction.

Board Rights	Without limitation of the terms described above under "Non-Compliance Events", for so long as ACM and its affiliates own at least 50% of the shares of Preferred Stock then outstanding, ACM and its affiliates shall have the right to appoint (i) one observer to the Issuer's board of directors (and not to any committee thereof) and (ii) one director to the Issuer's board of directors. These rights shall be non-transferrable without the consent of the Issuer.
Documentation	The definitive documentation for the Preferred Stock shall be consistent with the terms set forth herein and otherwise reasonably acceptable to the parties hereto.
Transfer of the Preferred Stock	(a) Subject to compliance with applicable securities laws, shares of Preferred Stock will be transferable by the holders thereof to any person other than a Prohibited Transferee and the Issuer will recognize and register any such transfer on its books. (b) The Issuer will use commercially reasonable efforts to cooperate with the holders of the Preferred Stock in connection with such transfer, including providing reasonable and customary information (i) in connection with any such holder's marketing efforts or any such potential transferee's due diligence (subject to customary confidentiality restrictions) or (ii) in order to comply with applicable securities laws. "Prohibited Transferees" means (i) the financial institutions and other entities that have been specified by the Issuer in writing to the Investors on or prior to the date of its execution of the Purchase Agreement and reasonably acceptable to the Investors, and (ii) bona fide competitors of the Issuer and its subsidiaries specified by the Issuer in writing to the Investors on or prior to the date of its execution of the Purchase Agreement (the list of which may be updated by the Issuer from time to time with respect to additional bona fide competitors).
Expense Reimbursement; Indemnification	The definitive documentation governing the Preferred Stock will include customary expense reimbursement and indemnification provisions to be mutually agreed.
Fiduciary Duties	This Annex 1 is not intended to, and will not be deemed to, impose any obligation or duty on any party or any of their respective affiliates or representatives (including any duty of good faith, care, loyalty or other fiduciary duty, in each case, whether express or implied).
Counsel to Investors	Paul, Weiss, Rifkind, Wharton & Garrison LLP.
Tax Treatment	The Issuer and the Investors will cooperate in good faith to agree on appropriate terms in the definitive documentation governing the Preferred Stock to avoid the application of Section 305(c) of the Code to any accrued Preferred Dividends.