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 March 31, 2022

OR

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

Commission File Number	Exact Name of Registrant as Specified in its Charter, Principal Executive Office Address and Telephone Number	State of Incorporation	I.R.S. Employer Identification No.
001-37665	**HERTZ GLOBAL HOLDINGS, INC** 8501 Williams Road, Estero, Florida 33928 (239) 301-7000	Delaware	61-1770902
001-07541	**THE HERTZ CORPORATION** 8501 Williams Road, Estero, Florida 33928 (239) 301-7000	Delaware	13-1938568

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	HTZ	Nasdaq Global Select
Hertz Global Holdings, Inc.	Warrants to purchase common stock	Each exercisable for one share of Hertz Global Holdings, Inc. common stock at an exercise price of $13.80 per share, subject to adjustment	HTZWW	Nasdaq Global Select
The Hertz Corporation	None		None	None

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 ☒

[1](Note: As a voluntary filer, The Hertz Corporation is not subject to the filing requirements of Section 13 or 15(d) of the Exchange Act. The Hertz Corporation has filed all reports pursuant to Section 13 or 15(d) of the Exchange Act during the preceding 12 months as if it was subject to such filing requirements.)

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 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	☐
	Smaller reporting company	☐	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.			☐		
The Hertz Corporation	Large accelerated filer	☐	Accelerated filer	☐	Non-accelerated filer	☒
	Smaller reporting company	☐	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.			☐		

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 by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

	Class		Shares Outstanding as of April 21, 2022
Hertz Global Holdings, Inc.	Common Stock,	par value $0.01 per share	412,111,348
The Hertz Corporation[1]	Common Stock,	par value $0.01 per share	100
			[1](100% owned by Rental Car Intermediate Holdings, LLC)

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

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

	March 31, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	$ 1,521	$ 2,258
Restricted cash and cash equivalents:		
Vehicle	301	77
Non-vehicle	300	316
Total restricted cash and cash equivalents	601	393
Total cash and cash equivalents and restricted cash and cash equivalents	2,122	2,651
Receivables:		
Vehicle	93	62
Non-vehicle, net of allowance of $45 and $48, respectively	707	696
Total receivables, net	800	758
Prepaid expenses and other assets	1,331	1,017
Revenue earning vehicles:		
Vehicles	12,118	10,836
Less: accumulated depreciation	(1,554)	(1,610)
Total revenue earning vehicles, net	10,564	9,226
Property and equipment, net	611	608
Operating lease right-of-use assets	1,566	1,566
Intangible assets, net	2,903	2,912
Goodwill	1,044	1,045
Total assets(1)	$ 20,941	$ 19,783
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable:		
Vehicle	$ 109	$ 56
Non-vehicle	566	516
Total accounts payable	675	572
Accrued liabilities	939	863
Accrued taxes, net	188	157
Debt:		
Vehicle	9,098	7,921
Non-vehicle	2,984	2,986
Total debt	12,082	10,907
Public Warrants	1,272	1,324
Operating lease liabilities	1,502	1,510
Self-insured liabilities	468	463
Deferred income taxes, net	1,113	1,010
Total liabilities(1)	18,239	16,806
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value, no shares issued and outstanding	—	—
Common stock, $0.01 par value, 477,673,065 and 477,233,278 shares issued, respectively, and 415,256,346 and 449,782,424 shares outstanding, respectively	5	5
Treasury stock, at cost, 62,416,719 and 27,450,854 common shares, respectively	(1,430)	(708)
Additional paid-in capital	6,237	6,209
Retained earnings (Accumulated deficit)	(1,889)	(2,315)
Accumulated other comprehensive income (loss)	(221)	(214)
Total stockholders' equity	2,702	2,977
Total liabilities and stockholders' equity	$ 20,941	$ 19,783

(1) Hertz Global Holdings, Inc.'s consolidated total assets as of March 31, 2022 and December 31, 2021 include total assets of variable interest entities ("VIEs") of $706 million and $734 million, respectively, which can only be used to settle obligations of the VIEs. Hertz Global Holdings, Inc.'s consolidated total liabilities as of March 31, 2022 and December 31, 2021 include total liabilities of VIEs of $706 million and $733 million, respectively, for which the creditors of the VIEs have no recourse to Hertz Global Holdings, Inc. See "Pledges Related to Vehicle Financing" in Note 5, "Debt," 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 March 31,	
	2022	2021
Revenues	$ 1,810	$ 1,289
Expenses:		
Direct vehicle and operating	1,053	778
Depreciation of revenue earning vehicles and lease charges, net	(59)	243
Non-vehicle depreciation and amortization	33	54
Selling, general and administrative	235	151
Interest expense, net:		
Vehicle	5	104
Non-vehicle (excludes contractual interest of $53 million for the three months ended March 31, 2021)	39	44
Total interest expense, net	44	148
Other (income) expense, net	(2)	(3)
Reorganization items, net	—	42
(Gain) from the sale of a business	—	(392)
Change in fair value of Public Warrants	(50)	—
Total expenses	1,254	1,021
Income (loss) before income taxes	556	268
Income tax (provision) benefit	(130)	(79)
Net income (loss)	426	189
Net (income) loss attributable to noncontrolling interests	—	1
Net income (loss) attributable to Hertz Global	$ 426	$ 190
Weighted-average common shares outstanding:		
Basic	432	156
Diluted	461	157
Earnings (loss) per common share:		
Basic	$ 0.99	$ 1.22
Diluted	$ 0.82	$ 1.21

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 March 31,	
	2022	2021
Net income (loss)	$ 426	$ 189
Other comprehensive income (loss):		
Foreign currency translation adjustments	(7)	17
Total other comprehensive income (loss)	(7)	17
Total comprehensive income (loss)	419	206
Comprehensive (income) loss attributable to noncontrolling interests	—	1
Comprehensive income (loss) attributable to Hertz Global	$ 419	$ 207

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

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Unaudited
(In millions)

Balance as of:	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Shares	Treasury Stock Amount	Stockholders' Equity Attributable to Hertz Global	Non-controlling Interests[1]	Total Stockholders' Equity
December 31, 2020	—	$ —	156	$ 2	$ 3,047	$ (2,681)	$ (212)	2	$ (100)	$ 56	$ 37	$ 93
Net income (loss)	—	—	—	—	—	190	—	—	—	190	(1)	189
Other comprehensive income (loss)	—	—	—	—	—	—	17	—	—	17	—	17
Stock-based compensation charges	—	—	—	—	2	—	—	—	—	2	—	2
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	—	(11)	(11)
March 31, 2021	—	$ —	156	$ 2	$ 3,049	$ (2,491)	$ (195)	2	$ (100)	$ 265	$ 25	$ 290

Balance as of:	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Shares	Treasury Stock Amount	Total Stockholders' Equity
December 31, 2021	—	$ —	450	$ 5	$ 6,209	$ (2,315)	$ (214)	27	$ (708)	$ 2,977
Net income (loss)	—	—	—	—	—	426	—	—	—	426
Other comprehensive income (loss)	—	—	—	—	—	—	(7)	—	—	(7)
Net settlement on vesting of restricted stock	—	—	—	—	(4)	—	—	—	—	(4)
Stock-based compensation charges	—	—	—	—	28	—	—	—	—	28
Public Warrant exercises[2]	—	—	—	—	4	—	—	—	—	4
Share repurchases	—	—	(35)	—	—	—	—	35	(722)	(722)
March 31, 2022	—	$ —	415	$ 5	$ 6,237	$ (1,889)	$ (221)	62	$ (1,430)	$ 2,702

(1) See "767 Auto Leasing LLC" in Note 13, "Related Party Transactions."

(2) See Note 8, "Public Warrants, Equity and Earnings (Loss) Per Common Share – Hertz Global."

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)

	Three Months Ended March 31,	
	2022	**2021**
Cash flows from operating activities:		
Net income (loss)	$ 426	$ 189
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and reserves for revenue earning vehicles, net	(20)	275
Depreciation and amortization, non-vehicle	33	54
Amortization of deferred financing costs and debt discount (premium)	11	34
Stock-based compensation charges	28	2
Provision for receivables allowance	13	29
Deferred income taxes, net	103	62
Reorganization items, net	—	(15)
(Gain) loss from the sale of a business	—	(392)
Change in fair value of Public Warrants	(50)	—
(Gain) loss on financial instruments	(44)	1
Other	(1)	(2)
Changes in assets and liabilities:		
Non-vehicle receivables	(43)	(73)
Prepaid expenses and other assets	(40)	(87)
Operating lease right-of-use assets	72	78
Non-vehicle accounts payable	51	40
Accrued liabilities	124	62
Accrued taxes, net	30	36
Operating lease liabilities	(80)	(78)
Self-insured liabilities	8	(15)
Net cash provided by (used in) operating activities	621	200
Cash flows from investing activities:		
Revenue earning vehicles expenditures	(2,985)	(1,517)
Proceeds from disposal of revenue earning vehicles	1,471	686
Non-vehicle capital asset expenditures	(30)	(9)
Proceeds from non-vehicle capital assets disposed of or to be disposed of	1	4
Collateral returned in exchange for letters of credit	17	—
Return of (investment in) equity investments	(15)	—
Proceeds from the sale of a business, net of cash sold	—	818
Net cash provided by (used in) investing activities	(1,541)	(18)
Cash flows from financing activities:		
Proceeds from issuance of vehicle debt	4,680	1,096
Repayments of vehicle debt	(3,492)	(946)
Proceeds from issuance of non-vehicle debt	—	560
Repayments of non-vehicle debt	(5)	(1)

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)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Payment of financing costs	(24)	(7)
Proceeds from exercises of Public Warrants	3	—
Share repurchases	(766)	—
Contributions from (distributions to) noncontrolling interests	—	(10)
Other	(4)	—
Net cash provided by (used in) financing activities	392	692
Effect of foreign currency exchange rate changes on cash and cash equivalents and restricted cash and cash equivalents	(1)	(12)
Net (decrease) increase in cash and cash equivalents and restricted cash and cash equivalents during the period	(529)	862
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period(1)	2,651	1,578
Cash and cash equivalents and restricted cash and cash equivalents at end of period	$ 2,122	$ 2,440
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest, net of amounts capitalized:		
Vehicle	$ 39	$ 69
Non-vehicle	17	30
Income taxes, net of refunds	6	(4)
Supplemental disclosures of non-cash information:		
Purchases of revenue earning vehicles included in accounts payable, net of incentives	$ 82	$ 103
Sales of revenue earning vehicles included in vehicle receivables	65	119
Purchases of non-vehicle capital assets included in accounts payable	23	6
Purchases of non-vehicle capital assets included in liabilities subject to compromise	—	16
Revenue earning vehicles and non-vehicle capital assets acquired through capital lease	5	21
Public Warrant exercises	2	—
Accrual for purchases of treasury shares	10	—

(1) Amounts include cash and cash equivalents and restricted cash and cash equivalents which were held for sale at December 31, 2020, prior to the completion of the Donlen Sale in the first quarter of 2021, as disclosed in Note 3, "Divestitures."

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)

	March 31, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	$ 1,520	$ 2,257
Restricted cash and cash equivalents:		
Vehicle	301	77
Non-vehicle	300	316
Total restricted cash and cash equivalents	601	393
Total cash and cash equivalents and restricted cash and cash equivalents	2,121	2,650
Receivables:		
Vehicle	93	62
Non-vehicle, net of allowance of $45 and $48, respectively	706	695
Total receivables, net	799	757
Prepaid expenses and other assets	1,332	1,016
Revenue earning vehicles:		
Vehicles	12,118	10,836
Less: accumulated depreciation	(1,554)	(1,610)
Total revenue earning vehicles, net	10,564	9,226
Property and equipment, net	611	608
Operating lease right-of-use assets	1,566	1,566
Intangible assets, net	2,903	2,912
Goodwill	1,044	1,045
Total assets(1)	$ 20,940	$ 19,780
LIABILITIES AND STOCKHOLDER'S EQUITY		
Accounts payable:		
Vehicle	$ 109	$ 56
Non-vehicle	566	516
Total accounts payable	675	572
Accrued liabilities	929	809
Accrued taxes, net	188	157
Debt:		
Vehicle	9,098	7,921
Non-vehicle	2,984	2,986
Total debt	12,082	10,907
Operating lease liabilities	1,502	1,510
Self-insured liabilities	468	463
Deferred income taxes, net	1,116	1,012
Total liabilities(1)	16,960	15,430
Commitments and contingencies		
Stockholder's equity:		
Common stock, $0.01 par value, 3,000 shares authorized and 100 shares issued and outstanding	—	—
Additional paid-in capital	6,451	7,190
Retained earnings (Accumulated deficit)	(2,250)	(2,626)
Accumulated other comprehensive income (loss)	(221)	(214)
Total stockholder's equity	3,980	4,350
Total liabilities and stockholder's equity	$ 20,940	$ 19,780

(1) The Hertz Corporation's consolidated total assets as of March 31, 2022 and December 31, 2021 include total assets of VIEs of $706 million and $734 million, respectively, which can only be used to settle obligations of the VIEs. The Hertz Corporation's consolidated total liabilities as of March 31, 2022 and December 31, 2021 include total liabilities of VIEs of $706 million and $733 million, respectively, for which the creditors of the VIEs have no recourse to The Hertz Corporation. See "Pledges Related to Vehicle Financing" in Note 5, "Debt," 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 March 31,	
	2022	**2021**
Revenues	$ 1,810	$ 1,289
Expenses:		
Direct vehicle and operating	1,053	778
Depreciation of revenue earning vehicles and lease charges, net	(59)	243
Non-vehicle depreciation and amortization	33	54
Selling, general and administrative	235	151
Interest expense, net:		
Vehicle	5	104
Non-vehicle (excludes contractual interest of $53 million for the three months ended March 31, 2021)	39	44
Total interest expense, net	44	148
Other (income) expense, net	(2)	(3)
Reorganization items, net	—	42
(Gain) from the sale of a business	—	(392)
Total expenses	1,304	1,021
Income (loss) before income taxes	506	268
Income tax (provision) benefit	(130)	(79)
Net income (loss)	376	189
Net (income) loss attributable to noncontrolling interests	—	1
Net income (loss) attributable to Hertz	$ 376	$ 190

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 March 31,	
	2022	2021
Net income (loss)	$ 376	$ 189
Other comprehensive income (loss):		
Foreign currency translation adjustments	(7)	17
Total other comprehensive income (loss)	(7)	17
Total comprehensive income (loss)	369	206
Comprehensive (income) loss attributable to noncontrolling interests	—	1
Comprehensive income (loss) attributable to Hertz	$ 369	$ 207

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

THE HERTZ CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY (DEFICIT)
Unaudited
(In millions, except share data)

Balance as of:	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Stockholder's Equity Attributable to Hertz	Noncontrolling Interests[1]	Total Stockholder's Equity (Deficit)
December 31, 2020	100	$ —	$ 3,953	$ (3,783)	$ (212)	$ (42)	$ 37	$ (5)
Net income (loss)	—	—	—	190	—	190	(1)	189
Other comprehensive income (loss)	—	—	—	—	17	17	—	17
Stock-based compensation charges	—	—	2	—	—	2	—	2
Distributions to noncontrolling interests	—	—	—	—	—	—	(11)	(11)
March 31, 2021	100	$ —	$ 3,955	$ (3,593)	$ (195)	$ 167	$ 25	$ 192

Balance as of:	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholder's Equity
December 31, 2021	100	$ —	$ 7,190	$ (2,626)	$ (214)	$ 4,350
Net income (loss)	—	—	—	376	—	376
Other comprehensive income (loss)	—	—	—	—	(7)	(7)
Stock-based compensation charges	—	—	28	—	—	28
Dividends paid to Hertz Holdings[2]	—	—	(767)	—	—	(767)
March 31, 2022	100	$ —	$ 6,451	$ (2,250)	$ (221)	$ 3,980

(1) See "767 Auto Leasing LLC" in Note 13, "Related Party Transactions."

(2) See "Share Repurchase Program for Common Stock" in Note 8, "Public Warrants, Equity and Earnings (Loss) Per Common Share – Hertz Global," for additional information.

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)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Cash flows from operating activities:		
Net income (loss)	$ 376	$ 189
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and reserves for revenue earning vehicles, net	(20)	275
Depreciation and amortization, non-vehicle	33	54
Amortization of deferred financing costs and debt discount (premium)	11	34
Stock-based compensation charges	28	2
Provision for receivables allowance	13	29
Deferred income taxes, net	103	62
Reorganization items, net	—	(15)
(Gain) loss from the sale of a business	—	(392)
(Gain) loss on financial instruments	(44)	1
Other	(1)	(2)
Changes in assets and liabilities:		
Non-vehicle receivables	(43)	(73)
Prepaid expenses and other assets	(40)	(87)
Operating lease right-of-use assets	72	78
Non-vehicle accounts payable	51	40
Accrued liabilities	124	62
Accrued taxes, net	30	36
Operating lease liabilities	(80)	(78)
Self-insured liabilities	8	(15)
Net cash provided by (used in) operating activities	621	200
Cash flows from investing activities:		
Revenue earning vehicles expenditures	(2,985)	(1,517)
Proceeds from disposal of revenue earning vehicles	1,471	686
Non-vehicle capital asset expenditures	(30)	(9)
Proceeds from non-vehicle capital assets disposed of or to be disposed of	1	4
Return of (investment in) equity investments	(15)	—
Collateral returned in exchange for letters of credit	17	—
Proceeds from the sale of a business, net of cash sold	—	818
Net cash provided by (used in) investing activities	(1,541)	(18)
Cash flows from financing activities:		
Proceeds from issuance of vehicle debt	4,680	1,096
Repayments of vehicle debt	(3,492)	(946)
Proceeds from issuance of non-vehicle debt	—	560
Repayments of non-vehicle debt	(5)	(1)
Payment of financing costs	(24)	(7)

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)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Dividends paid to Hertz Holdings	(767)	—
Contributions from (distributions to) noncontrolling interests	—	(10)
Net cash provided by (used in) financing activities	392	692
Effect of foreign currency exchange rate changes on cash and cash equivalents and restricted cash and cash equivalents	(1)	(12)
Net increase (decrease) in cash and cash equivalents and restricted cash and cash equivalents during the period	(529)	862
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period[(1)]	2,650	1,550
Cash and cash equivalents and restricted cash and cash equivalents at end of period	$ 2,121	$ 2,412

	2022	2021
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest, net of amounts capitalized:		
Vehicle	$ 39	$ 69
Non-vehicle	17	30
Income taxes, net of refunds	6	(4)
Supplemental disclosures of non-cash information:		
Purchases of revenue earning vehicles included in accounts payable, net of incentives	$ 82	$ 103
Sales of revenue earning vehicles included in vehicle receivables	65	119
Purchases of non-vehicle capital assets included in accounts payable	23	6
Purchases of non-vehicle capital assets included in liabilities subject to compromise	—	16
Revenue earning vehicles and non-vehicle capital assets acquired through capital lease	5	21

(1) Amounts include cash and cash equivalents and restricted cash and cash equivalents which were held for sale at December 31, 2020, prior to the completion of the Donlen Sale in the first quarter of 2021, as disclosed in Note 3, "Divestitures."

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 VIEs and "Hertz Holdings" when excluding its subsidiaries and VIEs) 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. On May 22, 2020, as a result of the impact from the COVID-19 global pandemic, Hertz Global, Hertz and certain of their direct and indirect subsidiaries in the U.S. and Canada (the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 ("Chapter 11") of the U.S. Bankruptcy Code (the "Chapter 11 Cases") in the U.S. Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). On June 10, 2021, a plan of reorganization (the "Plan of Reorganization") was confirmed by the Bankruptcy Court and on June 30, 2021, the Plan of Reorganization became effective and the Debtors emerged from Chapter 11.

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. The Company also sells vehicles through Hertz Car Sales and operates the Firefly vehicle rental brand and Hertz 24/7 car sharing business in international markets. As disclosed in Note 3, "Divestitures," on March 30, 2021 the Company completed the sale of substantially all of the assets and certain liabilities of its Donlen subsidiary (the "Donlen Sale"), a business which provided vehicle leasing and fleet management services.

Note 2—Basis of Presentation

Basis of Presentation

This Quarterly Report on Form 10-Q combines the quarterly reports on Form 10-Q for the quarterly period ended March 31, 2022 of Hertz Global and Hertz. Hertz Global consolidates Hertz for financial statement purposes, therefore, disclosures that relate to activities of Hertz also apply to Hertz Global. In the sections that combine disclosure of Hertz Global and Hertz, this report refers to actions as being actions of the Company, or Hertz Global, which is appropriate because the business is one enterprise and Hertz Global operates the business through Hertz. When appropriate, Hertz Global and Hertz are named specifically for their individual disclosures and any significant differences between the operations and results of Hertz Global and Hertz are separately disclosed and explained.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (“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 Company's vehicle rental operations are typically a seasonal business, with decreased levels of business in the winter months and heightened activity during the spring and summer months for the majority of countries where the Company generates revenues.

Certain charges related to the Chapter 11 Cases were recorded as reorganization items, net in the accompanying unaudited condensed consolidated statement of operations for the three months ended March 31, 2021 pursuant to the provisions of Accounting Standards Codification (“ASC”) 852, *Reorganizations*. See Note 15, "Reorganization Items, Net," for additional information.

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, 2021 unaudited condensed consolidated balance sheet data is derived from the audited financial statements at that date 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, 2021 (the "2021 Form 10-K"), as filed with the Securities and Exchange Commission ("SEC") on February 23, 2022.

In connection with the Company's emergence from Chapter 11 and how the Company's chief operating decision maker ("CODM") regularly reviews operating results and allocates resources, the Company modified its reportable segments during the second quarter of 2021, as disclosed in Note 14, "Segment Information." Additionally, beginning in second quarter 2021, non-vehicle depreciation expense is reported on a separate line item in the consolidated statement of operations. Certain prior period amounts have been reclassified to conform with current period presentation.

Principles of Consolidation

The unaudited condensed consolidated financial statements of Hertz Global include the accounts of Hertz Global, its wholly owned and majority owned U.S. and international subsidiaries and its VIEs, as applicable. The unaudited condensed consolidated financial statements of Hertz include the accounts of Hertz, its wholly owned and majority owned U.S. and international subsidiaries and its VIEs, as applicable. The Company consolidates a VIE when it is deemed the primary beneficiary of the VIE. 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 of the joint venture. All significant intercompany transactions have been eliminated in consolidation.

Note 3—Divestitures

Donlen Sale

On March 30, 2021, the Company completed the sale of substantially all of the assets and certain liabilities of its Donlen subsidiary. In the three months ended March 31, 2021, the Company recognized a pre-tax gain in its corporate operations of $392 million, net of the impact of foreign currency adjustments, subject to certain post-closing adjustments in the second quarter of 2021.

Note 4—Revenue Earning Vehicles

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

(In millions)	March 31, 2022	December 31, 2021
Revenue earning vehicles	$ 11,624	$ 10,506
Less accumulated depreciation	(1,437)	(1,518)
	10,187	8,988
Revenue earning vehicles held for sale, net[1]	377	238
Revenue earning vehicles, net	$ 10,564	$ 9,226

(1) Represents the carrying amount of vehicles currently placed on the Company's retail lots for sale or actively in the process of being sold through other disposition channels.

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

(In millions)	Three Months Ended March 31, 2022	2021
Depreciation of revenue earning vehicles	$ 322	$ 265
(Gain) loss on disposal of revenue earning vehicles	(387)	(33)
Rents paid for vehicles leased	6	11
Depreciation of revenue earning vehicles and lease charges, net	$ (59)	$ 243

Note 5—Debt

The Company's debt, including its available credit facilities, consists of the following ($ in millions) as of March 31, 2022 and December 31, 2021:

Facility	Weighted-Average Interest Rate as of March 31, 2022	Fixed or Floating Interest Rate	Maturity	March 31, 2022	December 31, 2021
Non-Vehicle Debt					
Term B Loan	3.75%	Floating	6/2028	$ 1,290	$ 1,294
Term C Loan	3.75%	Floating	6/2028	245	245
Senior Notes Due 2026	4.63%	Fixed	12/2026	500	500
Senior Notes Due 2029	5.00%	Fixed	12/2029	1,000	1,000
First Lien RCF	N/A	Floating	6/2026	—	—
Other Non-Vehicle Debt[1]	7.98%	Fixed	Various	15	16
Unamortized Debt Issuance Costs and Net (Discount) Premium				(66)	(69)
Total Non-Vehicle Debt				2,984	2,986
Vehicle Debt					
HVF III U.S. ABS Program					
HVF III U.S. Vehicle Variable Funding Notes					
HVF III Series 2021-A Class A[2]	1.77%	Floating	6/2023	1,423	2,813
HVF III Series 2021-A Class B[2]	3.65%	Fixed	6/2023	188	188
				1,611	3,001
HVF III U.S. Vehicle Medium Term Notes					
HVF III Series 2021-1[2]	1.66%	Fixed	12/2024	2,000	2,000
HVF III Series 2021-2[2]	2.12%	Fixed	12/2026	2,000	2,000
HVF III Series 2022-1[2]	2.07%	Fixed	6/2025	653	—
HVF III Series 2022-2[2]	2.42%	Fixed	6/2027	653	—
HVF III Series 2022-3[2]	3.53%	Fixed	3/2024	333	—
HVF III Series 2022-4[2]	3.87%	Fixed	9/2025	580	—
HVF III Series 2022-5[2]	4.03%	Fixed	9/2027	317	—
				6,536	4,000
Vehicle Debt - Other					
European ABS[2]	1.80%	Floating	10/2023	418	395
Hertz Canadian Securitization[2]	2.85%	Floating	1/2023	216	191
Australian Securitization[2]	1.67%	Floating	4/2024	135	128

Facility	Weighted-Average Interest Rate as of March 31, 2022	Fixed or Floating Interest Rate	Maturity	March 31, 2022	December 31, 2021
New Zealand RCF	3.94%	Floating	6/2022	42	39
U.K. Financing Facility	4.25%	Floating	4/2022-3/2025	90	98
U.K. Toyota Financing Facility	2.20%	Floating	8/2022-2/2023	8	9
Other Vehicle Debt	2.90%	Floating	4/2022-3/2025	94	93
				1,003	953
Unamortized Debt Issuance Costs and Net (Discount) Premium				(52)	(33)
Total Vehicle Debt				9,098	7,921
Total Debt				$ 12,082	$ 10,907

(1) Other non-vehicle debt is primarily comprised of $11 million and $12 million in capital lease obligations as of March 31, 2022 and December 31, 2021, respectively.

(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 originally 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.

Non-vehicle Debt

In March 2022, the First Lien RCF was amended to (i) increase the aggregate committed amount from $1.3 billion to $1.5 billion, (ii) increase the sublimit for letters of credit from $1.1 billion to $1.4 billion and (iii) change the benchmark from USD LIBOR to the Secured Overnight Financing Rate ("SOFR") based rate.

Vehicle Debt

HVF III U.S. ABS Program

HVF III Series 2021-A Notes: In March 2022, the Series 2021-A Notes were amended to increase the maximum principal amount from $3.0 billion to $3.2 billion.

HVF III Series 2022-1 Notes: In January 2022, Hertz issued the Series 2022-1 Notes in four classes (Class A, Class B, Class C and Class D) in an aggregate principal amount of $750 million.

HVF III Series 2022-2 Notes: In January 2022, Hertz issued the Series 2022-2 Notes in four classes (Class A, Class B, Class C and Class D) in an aggregate principal amount of $750 million.

HVF III Series 2022-3 Notes: In March 2022, Hertz issued the Series 2022-3 Notes in four classes (Class A, Class B, Class C and Class D) in an aggregate principal amount of $383 million.

HVF III Series 2022-4 Notes: In March 2022, Hertz issued the Series 2022-4 Notes in four classes (Class A, Class B, Class C and Class D) in an aggregate principal amount of $667 million.

HVF III Series 2022-5 Notes: In March 2022, Hertz issued the Series 2022-5 Notes in four classes (Class A, Class B, Class C and Class D) in an aggregate principal amount of $364 million.

There is subordination within each of the preceding series based on class.

HVF III Various Series 2022 Class D Notes: At the time of the respective HVF III initial offerings disclosed above, an affiliate of HVF III purchased the Class D Notes. Accordingly, the related principal amounts below are eliminated in consolidation as of March 31, 2022.

(In millions)	Aggregate Principal Amount
HVF III Series 2022-1 Class D Notes	$ 98
HVF III Series 2022-2 Class D Notes	98
HVF III Series 2022-3 Class D Notes	50
HVF III Series 2022-4 Class D Notes	87
HVF III Series 2022-5 Class D Notes	47
Total	$ 380

Vehicle Debt-Other

Australian Securitization

In January 2022, the Australian Securitization was amended to increase the aggregate maximum borrowings to AUD250 million and to extend the maturity to April 2024.

New Zealand RCF

In April 2022, Hertz New Zealand Holdings Limited, an indirect, wholly-owned subsidiary of Hertz, amended its credit agreement to extend the maturity to June 2024.

U.K. Financing Facility

In April 2022, Hertz U.K. Limited amended the U.K. Financing Facility to provide for aggregate maximum borrowings of up to £120 million, for a seasonal commitment period through October 2022. Following the expiration of the seasonal commitment period, aggregate maximum borrowings will revert to £100 million. Additionally, the U.K. Financing Facility was amended to extend the maturity of the aggregate maximum borrowings of £100 million to October 2023.

U.K. Toyota Financing Facility

In March 2022, Hertz U.K. Limited amended the U.K. Toyota Financing Facility to increase aggregate maximum borrowings from £10 million to £25 million and extended the maturity to October 2022.

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 the First Lien RCF. 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. 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 and, in the case of the First Lien RCF, less any issued standby letters of credit. 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).

The following facilities were available to the Company as of March 31, 2022 and are presented net of any outstanding letters of credit:

(In millions)	Remaining Capacity	Availability Under Borrowing Base Limitation
Non-Vehicle Debt		
First Lien RCF	$ 1,138	$ 1,138
Total Non-Vehicle Debt	1,138	1,138
Vehicle Debt		
HVF III Series 2021-A	1,595	—
European ABS	413	—
Hertz Canadian Securitization	64	—
Australian Securitization	53	—
U.K. Financing Facility	41	—
U.K. Toyota Financing Facility	25	6
Total Vehicle Debt	2,191	6
Total	$ 3,329	$ 1,144

Letters of Credit

As of March 31, 2022, there were outstanding standby letters of credit totaling $585 million comprised primarily of $232 million issued under the Term C Loan and $337 million were issued under the First Lien RCF. As of March 31, 2022, there remains $13 million of capacity to issue letters of credit under the Term C Loan. Such letters of credit have been issued primarily to support the Company's insurance programs and to provide credit enhancement for the Company's asset-backed securitization facilities, as well as to support the Company's vehicle rental concessions and leaseholds. As of March 31, 2022, none of the issued letters of credit have been drawn upon.

Pledges Related to Vehicle Financing

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 or asset-backed securities programs. None of the value of such assets (including the assets owned by Hertz Vehicle Financing III LLC and various other domestic and international subsidiaries that facilitate the Company's international securitizations) will be available to satisfy the claims of unsecured creditors unless the secured creditors are paid in full.

The Company has a 25% ownership interest in IFF No. 2, whose sole purpose is to provide commitments to lend under the European ABS 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 VIE and the Company is the primary beneficiary; therefore, the assets, liabilities and results of operations of IFF No. 2 are included in the accompanying unaudited condensed consolidated financial statements. As of March 31, 2022 and December 31, 2021, IFF No. 2 had total assets of $706 million and $734 million, respectively, comprised primarily of intercompany receivables, and total liabilities of $706 million and $733 million, respectively, comprised primarily of debt.

Covenant Compliance

The First Lien Credit Agreement requires Hertz to comply with the following financial covenant: a First Lien Ratio of less than or equal to 3.00 to 1.00 in the first and last quarters of the calendar year and 3.50 to 1.00 in the second and third quarters of the calendar year. The financial covenant disclosed above was effective beginning in the third quarter of 2021. As of March 31, 2022, Hertz was in compliance with the First Lien Ratio.

In addition to financial covenants, the First Lien Credit Agreement contains customary affirmative covenants including, among other things, the delivery of quarterly and annual financial statements and compliance certificates, conduct of business, maintenance of property and insurance, compliance with environmental laws and the granting of security interest for the benefit of the secured parties under that agreement on after-acquired real property, fixtures and future subsidiaries. The First Lien Credit Agreement also contains customary negative covenants, including, among other things, restrictions on the incurrence of liens, indebtedness, asset dispositions and restricted payments. As of March 31, 2022, the Company was in compliance with all covenants in the First Lien Credit Agreement.

Note 6—Leases

The Company enters into certain agreements as a lessor under which it rents vehicles and leases fleets to customers. The following table summarizes the amount of operating lease income and other income included in total revenues in the accompanying unaudited condensed consolidated statements of operations:

	Three Months Ended March 31,	
(In millions)	2022	2021
Operating lease income from vehicle rentals	$ 1,721	$ 1,099
Operating lease income from fleet leasing	—	149
Variable operating lease income	44	1
Revenue accounted for under Topic 842	1,765	1,249
Revenue accounted for under Topic 606	45	40
Total revenues	$ 1,810	$ 1,289

Note 7—Income Tax (Provision) Benefit

Hertz Global

The effective tax rate is 23% and 29% for the three months ended March 31, 2022 and 2021, respectively. Hertz Global recorded a tax provision of $130 million and $79 million for the three months ended March 31, 2022 and 2021, respectively. The increase in the tax provision for three months ended March 31, 2022 compared to the 2021 period is driven primarily by improvements in Hertz Global's financial performance and changes in the mix of earnings and losses for jurisdictions for which no tax benefit can be recognized.

As of March 31, 2022, the Company has approximately $670 million gross, or $141 million U.S. federal tax effected, of capital loss carryforward relating to a European restructuring for which a full valuation allowance is recorded. The Company filed a request for a pre-filing agreement with the Internal Revenue Service ("IRS") in December 2021, to determine whether the capital loss on European restructuring qualifies as an ordinary loss. During the first quarter of 2022, the Company received notice from the IRS of its acceptance of this request. A favorable outcome from this proceeding could result in a full or partial release of the valuation allowance.

Hertz

The effective tax rate is 26% and 29% for the three months ended March 31, 2022 and 2021, respectively. Hertz recorded a tax provision of $130 million and $79 million for the three months ended March 31, 2022 and 2021, respectively. The increase in the tax provision in the three months ended March 31, 2022 compared to the 2021, period is driven primarily by improvements in Hertz's financial performance and changes in the mix of earnings and losses for jurisdictions for which no tax benefit can be recognized.

As of March 31, 2022, the Company has approximately $670 million gross, or $141 million U.S. federal tax effected, of capital loss carryforward relating to a European restructuring for which a full valuation allowance is recorded. The Company filed a request for a pre-filing agreement with the IRS in December 2021, to determine whether the capital loss on European restructuring qualifies as an ordinary loss. During the first quarter of 2022, the Company received notice from the IRS of its acceptance of this request. A favorable outcome from this proceeding could result in a full or partial release of the valuation allowance.

Note 8— Public Warrants, Equity and Earnings (Loss) Per Common Share – Hertz Global

Public Warrants

During the three months ended March 31, 2022, 145,190 Public Warrants were exercised of which 33,427 were cashless exercises and 111,763 were exercised for $13.80 per share. As of March 31, 2022, a cumulative 6,185,470 Public Warrants have been exercised since their original issuance in June 2021. The Public Warrants are recorded at fair value in the accompanying unaudited condensed consolidated balance sheets as of March 31, 2022 and December 31, 2021. See Note 11, "Fair Value Measurements."

Share Repurchase Program for Common Stock

In November 2021, Hertz Global's Board of Directors approved a share repurchase program that authorizes the repurchase of up to $2.0 billion worth of shares of Hertz Global's outstanding common stock. Between January 1, 2022 and March 31, 2022, a total of 34,964,965 shares of Hertz Global's common stock were repurchased at an average share price of $20.65 resulting in an aggregate purchase price of $722 million. These amounts are included in treasury stock in the accompanying Hertz Global unaudited condensed consolidated balance sheet as of March 31, 2022. Hertz Global funded the share repurchases with available cash and dividend distributions from Hertz.

Between April 1, 2022 and April 21, 2022, a total of 3,159,382 shares of Hertz Global's common stock were repurchased at an average share price of $22.16 resulting in an aggregate purchase price of $70 million, resulting in a total of 55,230,373 shares of Hertz Global's common stock repurchased for a total of $1.2 billion since the inception of the program.

Computation of Earnings (Loss) Per Common Share

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

For the three months ended March 31, 2022, the diluted weighted-average shares outstanding included the dilutive impact of Public Warrants where the Company assumed share settlement of the Public Warrants as of the beginning of the reporting period. Additionally, the Company removes the change in fair value of Public Warrants when computing diluted earnings (loss) per common share, when the impact of Public Warrants is dilutive.

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

(In millions, except per share data)	Three Months Ended March 31, 2022	2021
Numerator:		
Net income (loss) attributable and available to Hertz Global common stockholders, basic	$ 426	$ 190
Change in fair value of Public Warrants	(50)	—
Net income (loss) available to Hertz Global common stockholders, diluted	$ 376	$ 190
Denominator:		
Basic weighted-average common shares outstanding	432	156
Dilutive effect of stock options, RSUs and PSUs	—	1
Dilutive effect of Public Warrants	29	—
Diluted weighted-average shares outstanding	461	157
Antidilutive stock options, RSUs and PSUs	5	1
Total antidilutive	5	1
Earnings (loss) per common share:		
Basic	$ 0.99	$ 1.22
Diluted	$ 0.82	$ 1.21

Note 9—Stock-Based Compensation

During the fourth quarter of 2021, Hertz Global's Board of Directors approved the Hertz Global Holdings, Inc. 2021 Omnibus Incentive Plan (the "2021 Omnibus Plan"). As of March 31, 2022, 42,173,566 shares of the Company's common stock are authorized and remain available for future grants under the 2021 Omnibus Plan.

During the three months ended March 31, 2022, compensation expense of $27 million, net of $1 million tax benefit, was recognized for grants under the 2021 Omnibus Plan and recorded in selling, general and administrative expense in the accompany unaudited condensed consolidated income statement. As of March 31, 2022, there was $304 million of total unrecognized compensation cost expected to be recognized over the remaining 2.7 years, on a weighted average basis, of the requisite service period that began on the grant dates.

Stock Options

A summary of stock option activity as of March 31, 2022 is presented below:

Options	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (In millions)
Outstanding as of December 31, 2021	3,678,855	$ 26.17	9.9	$ —
Granted	—	—	—	—
Exercised	—	—	—	—
Forfeited or Expired	(65,720)	26.17	—	—
Outstanding as of March 31, 2022	3,613,135	26.17	9.6	—
Exercisable as of March 31, 2022	(26,440)	26.17	9.6	—
Non-vested as of March 31, 2022	3,586,695			

Performance Stock Units ("PSUs")

A summary of the PSU activity as of March 31, 2022 is presented below:

	Shares	Weighted-Average Fair Value	Aggregate Intrinsic Value (In millions)
Outstanding as of December 31, 2021	—	$ —	$ —
Granted	9,929,111	17.73	—
Vested	—	—	—
Forfeited or Expired	—	—	—
Outstanding as of March 31, 2022	9,929,111	17.73	220

Compensation expense for PSUs is based on the grant date fair value. For grants issued in 2022, vesting eligibility is based on market, performance and service conditions of three to five years. Certain of these PSUs were valued on the grant date using a Monte Carlo simulation model that incorporates the assumptions noted in the following table:

	Grants
Assumption	2022
Expected volatility	68 %
Expected dividend yield	— %
Expected term (years)	5
Risk-free interest rate	1.71 %
Weighted-average grant date fair value	$ 17.61

Restricted Stock and Restricted Stock Units ("RSUs")

A summary of RSU activity as of March 31, 2022 is presented below:

	Shares	Weighted-Average Fair Value	Aggregate Intrinsic Value (In millions)
Outstanding as of December 31, 2021	1,726,286	$ 26.17	$ 43
Granted	3,354,079	20.60	—
Vested	(508,813)	26.17	—
Forfeited or Expired	(21,907)	26.17	—
Outstanding as of March 31, 2022	4,549,645	22.06	101

Additional information pertaining to RSU activity is as follows:

	Three Months Ended March 31,
	2022
Total fair value of awards that vested (in millions)	$ 13
Weighted-average grant-date fair value of awards granted	$ 20.60

For RSU grants issued in 2022, the vesting period is three years. For RSU grants issued in 2021, the vesting period is three years except for 500,000 shares that vested in the first quarter of 2022 and 100,000 shares which vest in the fourth quarter of 2022.

Deferred Stock Units

As of March 31, 2022, there were approximately 35,000 outstanding shares of deferred stock units under the 2021 Omnibus Plan.

Note 10—Financial Instruments

The Company employs established risk management policies and procedures, and, under the terms of our ABS facilities, may be required to enter into interest rate derivatives, which seek to reduce the Company's commercial risk exposure to fluctuations in interest rates and currency exchange rates. Although the instruments utilized involve varying degrees of credit, market and interest risk, the Company contracts with multiple counterparties to mitigate concentrations of risk and the counterparties to the agreements are expected to perform fully under the terms of the agreements. The Company monitors counterparty credit risk, including lenders, on a regular basis, but cannot be certain that all risks will be discerned or that its risk management policies and procedures will always be effective. Additionally, upon the occurrence of an event of default under the Company's International Swaps and Derivatives Association ("ISDA") master derivative agreements, the non-defaulting party generally has the right, but not the obligation, to set-off any early termination amounts under any such agreements against any other amounts owed with regard to any other agreements between the parties to each such agreement.

None of the Company's financial instruments have been designated as hedging instruments as of March 31, 2022 and December 31, 2021.

Interest Rate Risk

The Company uses a combination of interest rate caps and swaps to manage its exposure to interest rate movements and to manage its mix of floating and fixed-rate debt.

Currency Exchange Rate Risk

The Company uses foreign currency exchange rate derivative financial instruments to manage it currency exposure resulting from intercompany transactions and other cross currency obligations.

Fair Value

The following table summarizes the estimated fair value of financial instruments:

	Fair Value of Financial Instruments			
	Asset Derivatives(1)		Liability Derivatives(1)	
(In millions)	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Interest rate instruments	$ 60	$ 12	$ —	$ —
Foreign currency forward contracts	2	1	3	2
Total	$ 62	$ 13	$ 3	$ 2

(1) All asset derivatives are recorded in prepaid expenses and other assets and all liability derivatives are recorded in accrued liabilities in the accompanying unaudited condensed consolidated balance sheets.

During the first quarter of 2022, the Company recognized a gain of $44 million on interest rate instruments which was recorded in vehicle interest expense, net in the accompanying unaudited condensed consolidated statement of operations for the three months ended March 31, 2022. The amounts recognized in income for derivative instruments were not material for the three months ended March 31, 2021.

The Company's foreign currency forward contracts and certain interest rate instruments are subject to enforceable master netting agreements with their counterparties. The Company does not offset such derivative assets and liabilities in its unaudited condensed consolidated balance sheets, and the potential effect of the Company's use of the master netting arrangements is not material.

Note 11—Fair Value Measurements

Under U.S. GAAP, entities are allowed to measure certain financial instruments and other items at fair value. The Company has not elected the fair value measurement option for any of its assets or liabilities that meet the criteria for this option. Irrespective of the fair value option previously described, U.S. GAAP requires certain financial and non-financial assets and liabilities of the Company to be measured on either a recurring basis or on a nonrecurring basis.

Fair Value Disclosures

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

Debt Obligations

The fair value of the debt facilities 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 (i.e. Level 2 inputs).

	March 31, 2022		December 31, 2021	
(In millions)	Nominal Unpaid Principal Balance	Aggregate Fair Value	Nominal Unpaid Principal Balance	Aggregate Fair Value
Non-Vehicle Debt	$ 3,050	$ 2,921	$ 3,055	$ 3,065
Vehicle Debt	9,150	8,852	7,954	7,908
Total	$ 12,200	$ 11,773	$ 11,009	$ 10,973

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table summarizes the Company's cash equivalents, restricted cash equivalents and Public Warrants that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy as follows:

	March 31, 2022				December 31, 2021			
(In millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Cash equivalents and restricted cash equivalents	$ 1,130	$ —	$ —	$ 1,130	$ 1,678	$ —	$ —	$ 1,678
Liabilities:								
Public Warrants	$ 1,272	$ —	$ —	$ 1,272	$ 1,324	$ —	$ —	$ 1,324

Cash Equivalents and Restricted Cash Equivalents

The Company's cash equivalents and restricted cash equivalents primarily consist of investments in money market funds and bank money market and interest-bearing accounts. The Company determines the fair value of cash equivalents and restricted cash equivalents using a market approach based on quoted prices in active markets (i.e. Level 1 inputs).

Public Warrants

Hertz Global's Public Warrants are classified as liabilities at fair value in the accompanying unaudited condensed consolidated balance sheets as of March 31, 2022 and December 31, 2021 in accordance with the provisions of ASC 480, *Distinguishing Liabilities from Equity*. See Note 8, "Public Warrants, Equity and Earnings (Loss) Per Common Share – Hertz Global," for additional information. The Company calculates the fair value based on the end-of-day quoted market price, a Level 1 input of the fair value hierarchy. For the three months ended March 31, 2022, the fair value adjustment was a gain of $50 million and is recorded in change in fair value of Public Warrants in the accompanying unaudited condensed consolidated statement of operations for Hertz Global for the three months ended March 31, 2022.

Financial Instruments

The fair value of the Company's financial instruments as of March 31, 2022 and December 31, 2021 are disclosed in Note 10, "Financial Instruments." The Company's financial instruments are classified as Level 2 assets and liabilities and are priced using quoted market prices for similar assets or liabilities in active markets.

Note 12—Contingencies and Off-Balance Sheet Commitments

Legal Proceedings

Self-Insured Liabilities

The Company is currently a defendant in numerous actions and has received numerous claims on which actions have not yet commenced for self-insured liabilities arising from the operation of motor vehicles rented from the Company. The obligation for self-insured liabilities on self-insured U.S. and international vehicles, as stated in 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 an undiscounted basis and 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 March 31, 2022 and December 31, 2021, the Company's liability recorded for self-insured liabilities is $468 million and $463 million, respectively. The Company believes that its analysis is based on the most relevant information available, combined with reasonable assumptions. The liability is subject to significant uncertainties. The adequacy of the liability 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.

Loss Contingencies

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, former employees and governmental investigations. The Company has summarized below the material legal proceedings to which the Company was a party during the three months ended March 31, 2022 or the period after March 31, 2022, but before the filing of this Quarterly Report.

> *Make-Whole and Post-Petition Interest Claims* - On July 1, 2021, Wells Fargo Bank, N.A., in its capacity as indenture trustee of (1) 6.250% Unsecured Notes due 2022 (the "2022 Notes"), (2) 5.500% Unsecured Notes due 2024 (the "2024 Notes"), (3) 7.125% Unsecured Notes due 2026 (the "2026 Notes"), and (4) 6.000% Unsecured Notes due 2028 (the "2028 Notes") issued by The Hertz Corporation (collectively, the “Notes”), filed a complaint (the “Complaint”) against The Hertz Corporation, Dollar Rent A Car, Inc., Dollar Thrifty Automotive Group, Inc., Donlen Corporation, DTG Operations, Inc., DTG Supply, LLC, Firefly Rent A Car LLC, Hertz Car Sales LLC, Hertz Global Services Corporation, Hertz Local Edition Corp., Hertz Local Edition Transporting, Inc., Hertz System, Inc., Hertz Technologies, Inc., Hertz Transporting, Inc., Rental Car Group Company, LLC, Smartz Vehicle Rental Corporation, Thrifty Car Sales, Inc., Thrifty, LLC, Thrifty

Insurance Agency, Inc., Thrifty Rent A Car System, LLC, and TRAC Asia Pacific, Inc. (collectively referred to in this summary as “Defendants”). The filing of the Complaint initiated the adversary proceeding captioned *Wells Fargo Bank, National Association v. The Hertz Corporation, et al.* pending in the United States Bankruptcy Court for the District of Delaware, Adv. Pro. No. 21-50995 (MFW). The Complaint seeks a declaratory judgment that the holders of the Unsecured Notes are entitled to payment of certain redemption premiums and post-petition interest that they assert total $271,684,720 plus interest at the contractual default rate or in the alternative are entitled to payment post-petition interest at the applicable contractual rate that they assert totals $124,512,653 plus interest at the New York statutory rate. On July 2, 2021, Defendants were summoned to file a motion or answer to the Complaint within 30 days. On August 2, 2021, the Defendants filed a motion to dismiss both counts for declaratory judgment, which was argued before Judge Walrath on November 9, 2021. On December 22, 2021, the Bankruptcy Court dismissed Wells Fargo’s claims with respect to (i) the redemption premium allegedly owed on the 2022 and 2024 Notes and (ii) post-petition interest at the contract rate. As a result, only Wells Fargo’s claims for a redemption premium with respect to the 2026 and 2028 Senior Notes now remain. Additionally, note holders that elected to participate in the rights offering held in June 2021 (the "2021 Rights Offering") waived their right to collect on the make whole premium. Therefore, since some of the 2026 and 2028 note holders elected to participate in the 2021 Rights Offering, the total amount which may be owed with respect to the asserted make whole premium for those series of notes will be reduced further. The Defendants dispute that any such amounts are owed and intend to respond and otherwise vigorously defend claims set forth therein. The Company cannot predict the outcome or timing of this litigation.

There is a potential that the Bankruptcy Court's decision could be appealed and overturned. In that instance, some creditors in the Chapter 11 Cases may assert that the Company owes additional interest and, in certain cases, additional make whole or other premiums. These claims could be material. The Company retains all rights with respect to any such asserted amounts and intends to vigorously defend against any such asserted claims. There can be no assurance regarding the outcome of any of the litigation regarding the validity or, if deemed valid, the amount of any such additional asserted interest and make whole claims and as such, the Company cannot predict the outcome or timing of any such litigation.

The Company maintains an internal compliance program through which it from time to time identifies 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 self-insured liabilities, none of those reserves are material. For matters 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 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 Company's consolidated financial condition, results of operations or cash flows in any particular reporting period.

Other Proceedings

Litigation Against Former Executives - The Company filed litigation in the U.S. District Court for the District of New Jersey against Mark Frissora, Elyse Douglas and John Jefferey Zimmerman on March 25, 2019, and in state court in Florida against Scott Sider on March 28, 2019, all of whom were former executive officers of Old Hertz Holdings. The complaints predominantly allege breach of contract and seek repayment of incentive-based compensation received by the defendants in connection with restatements included in the Old Hertz Holdings Form 10-K for the year ended December 31, 2014 and related accounting for prior periods. The Company is also seeking recovery for the costs of the SEC investigation that resulted in an administrative order on December 31, 2018 with respect to events generally involving the restatements included in Old Hertz Holdings Form 10-K for the year ended December

31, 2014 and other damages resulting from the necessity of the restatements. The Company is pursuing these legal proceedings in accordance with its clawback policy and contractual rights. In October 2019, the Company entered into a confidential Settlement Agreement with Elyse Douglas. In September and October 2020, the judge in the New Jersey action entered orders requiring the parties and applicable insurers to attend and participate in mediation. The attorneys in the Florida action voluntarily agreed to participate in the same mediation which was held on November 30, 2020. The mediation was unsuccessful, but settlement discussions continued and, on April 14, 2021, the Bankruptcy Court approved a Settlement Agreement between the Company and Scott Sider. The Florida action is now closed. On December 29, 2021, the Company entered into a settlement agreement with Jeff Zimmerman, leaving Mark Frissora as the sole remaining defendant in this litigation. Fact discovery has now been completed in the New Jersey action and the case will proceed to the pre-trial phase of experts' reports and experts' depositions. Pursuant to the agreements governing the separation of Herc Holdings from Hertz Global that occurred on June 30, 2016, Herc Holdings is entitled to 15% of the net proceeds of any repayment or recovery.

Claims Relating to Alleged False Arrests - As a large company, we are subject to various proceedings, lawsuits, disputes, inquiries, and claims arising in the ordinary course of our business. One series of claims involves claimants seeking monetary damages from the Company in connection with allegations that police detained or arrested them in error after the Company reported their rental cars as stolen. The claims arise from activities alleged to have occurred prior to the Company's emergence from its bankruptcy reorganization. The overwhelming majority of these cases involve vehicles that were not returned to the Company within a reasonable time period following their contracted return date. These claims have been the subject of press coverage and the Company has received inquiries on the matter from certain elected officials. The Company will continue to defend itself as appropriate and has established policies to help ensure proper treatment of its customers as well as to prosecute those involved in the theft of services or assets of the Company. We currently believe that the eventual outcome of these claims will not have a materially adverse effect on the Company's business, financial condition, results of operations or cash flows.

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 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 has accrued for expected losses that are probable and estimable.

Note 13—Related Party Transactions

Transactions and Agreements between Hertz Holdings and Hertz

In May 2021, upon expiration of a loan originated in May 2020 with Hertz Holdings, Hertz entered into a new master loan agreement with Hertz Holdings for a facility size of $25 million with an expiration in May 2022 (the "2021 Master Loan"). The interest rate is based on the U.S. Dollar LIBOR rate plus a margin. As of December 31, 2021, there was no outstanding balance under the 2021 Master Loan. As of March 31, 2022, there is no outstanding balance under the 2021 Master Loan.

767 Auto Leasing LLC

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 a related party until May 2020, the option to acquire certain vehicles from Hertz. During the three months ended March 31, 2021, 767 distributed $10 million to American Entertainment Properties Corp. along with the return of certain vehicles. The 767 Lease Agreement was terminated effective October 31, 2021. Prior to the termination of the 767 Lease Agreement, the Company determined that it was the primary beneficiary of 767 due to its power to direct the activities of 767 that most significantly impacted 767's economic performance and the Company's obligation to absorb 25% of 767's gains/losses and, accordingly, 767 was consolidated by the Company as a VIE.

Note 14—Segment Information

The Company’s CODM assesses performance and allocates resources based upon the financial information for the Company’s reportable segments. In the second quarter of 2021, in connection with the emergence from Chapter 11 and changes in how the Company's CODM regularly reviews operating results and allocates resources, the Company revised its reportable segments to include Canada, Latin America and the Caribbean in its Americas RAC reportable segment, which were previously included in its International RAC reportable segment. Accordingly, prior periods have been restated to conform with the revised presentation. The Company has identified two reportable segments, which are consistent with its operating segments and organized based on the products and services provided and the geographic areas in which business is conducted, as follows:

- Americas RAC – rental of vehicles (cars, crossovers, vans and light trucks), as well as sales of value-added services, in the U.S., Canada, Latin America and the Caribbean; and

- International RAC – rental and leasing of vehicles (cars, crossovers, vans and light trucks), as well as sales of value-added services internationally and consists primarily of the Company's Europe and other international locations.

In addition, in the second quarter of 2021, as a result of the Donlen Sale, as disclosed in Note 3, "Divestitures," the All Other Operations reportable segment, which consisted primarily of the Company's former Donlen business, was no longer deemed a reportable segment.

In addition to its reportable segments and other operating activities, the Company has corporate operations ("Corporate") which includes general corporate assets and expenses and certain interest expense (including net interest on non-vehicle debt). Corporate includes other items necessary to reconcile the reportable segments to the Company's total amounts.

The following tables provide significant statement of operations and balance sheet information by reportable segment for each of Hertz Global and Hertz, as well as Adjusted EBITDA, the measure used to determine segment profitability.

	Three Months Ended March 31,	
(In millions)	2022	2021
Revenues		
Americas RAC	$ 1,558	$ 967
International RAC	252	186
Total reportable segments	1,810	1,153
All other operations(1)	—	136
Total Hertz Global and Hertz	$ 1,810	$ 1,289
Depreciation of revenue earning vehicles and lease charges, net		
Americas RAC	$ (93)	$ 210
International RAC	34	33
Total Hertz Global and Hertz	$ (59)	$ 243
Adjusted EBITDA		
Americas RAC	$ 641	$ 26
International RAC	27	(8)
Total reportable segments	668	18
All other operations(1)	—	13
Corporate	(54)	(29)
Total Hertz Global and Hertz	$ 614	$ 2

(1) Substantially comprised of the Company's Donlen business, which was sold on March 30, 2021 as disclosed in Note 3, "Divestitures."

	As of	
millions)	March 31, 2022	December 31, 2021
venue earning vehicles, net		
Americas RAC	$ 9,247	$ 7,897
International RAC	1,317	1,329
Total Hertz Global and Hertz	$ 10,564	$ 9,226
tal assets		
Americas RAC	$ 15,959	$ 14,352
International RAC	3,004	2,978
Total reportable segments	18,963	17,330
Corporate	1,978	2,453
Total Hertz Global(1)	20,941	19,783
Corporate - Hertz	(1)	(3)
Total Hertz(1)	$ 20,940	$ 19,780

(1) The consolidated total assets of Hertz Global and Hertz as of March 31, 2022 and December 31, 2021 include total assets of VIEs of $706 million and $734 million, respectively, which can only be used to settle obligations of the VIEs. See "Pledges Related to Vehicle Financing" in Note 5, "Debt," for further information.

Reconciliations of Adjusted EBITDA by reportable segment to consolidated amounts are summarized below:

Hertz Global

(In millions)	Three Months Ended March 31, 2022	2021
Adjusted EBITDA:		
Americas RAC	$ 641	$ 26
International RAC	27	(8)
Total reportable segments	668	18
All other operations[1]	—	13
Corporate[2]	(54)	(29)
Total Hertz Global	614	2
Adjustments:		
Non-vehicle depreciation and amortization	(33)	(54)
Non-vehicle debt interest, net	(39)	(44)
Vehicle debt-related charges[3]	(7)	(28)
Restructuring and restructuring related charges[4]	(6)	(12)
Information technology and finance transformation costs[5]	1	(6)
Reorganization items, net[6]	—	(42)
Pre-reorganization charges and non-debtor financing charges[7]	—	(23)
Gain from the Donlen Sale[8]	—	392
Change in fair value of Public Warrants[9]	50	—
Unrealized gains (losses) on financial instruments[10]	44	—
Other items[11]	(68)	83
Income (loss) before income taxes	$ 556	$ 268

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

Hertz

(In millions)	Three Months Ended March 31, 2022	2021
Adjusted EBITDA:		
Americas RAC	$ 641	$ 26
International RAC	27	(8)
Total reportable segments	668	18
All other operations[1]	—	13
Corporate[2]	(54)	(29)
Total Hertz	614	2
Adjustments:		
Non-vehicle depreciation and amortization	(33)	(54)
Non-vehicle debt interest, net	(39)	(44)
Vehicle debt-related charges[3]	(7)	(28)
Restructuring and restructuring related charges[4]	(6)	(12)
Information technology and finance transformation costs[5]	1	(6)
Reorganization items, net[6]	—	(42)
Pre-reorganization charges and non-debtor financing charges[7]	—	(23)
Gain from the Donlen Sale[8]	—	392
Unrealized gains (losses) on financial instruments[10]	44	—
Other items[11]	(68)	83
Income (loss) before income taxes	$ 506	$ 268

(1) Substantially comprised of the Company's Donlen business, which was sold on March 30, 2021 as disclosed in Note 3, "Divestitures."

(2) Represents other reconciling items primarily consisting of general corporate expenses, non-vehicle interest expense, as well as other business activities.

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

(4) Represents charges incurred under restructuring actions as defined in U.S. GAAP. Also includes restructuring related charges such as incremental costs incurred directly supporting business transformation initiatives.

(5) Represents costs associated with the Company’s information technology and finance transformation programs, both of which were multi-year initiatives to upgrade and modernize the Company’s systems and processes.

(6) Represents charges incurred associated with the filing of and the emergence from the Chapter 11 Cases, as disclosed in Note 15, "Reorganization Items, Net."

(7) Represents charges incurred prior to the filing of the Chapter 11 Cases which are comprised of preparation charges for the reorganization, such as professional fees. Also, includes certain non-debtor financing and professional fee charges.

(8) Represents the net gain from the sale of the Company's Donlen business on March 30, 2021, as disclosed in Note 3, "Divestitures."

(9) Represents the change in fair value during the reporting period for the Company's outstanding Public Warrants.

(10) Represents unrealized gains (losses) on derivative financial instruments. See Note 10, "Financial Instruments."

(11) Represents miscellaneous items. For the three months ended March 31, 2022, primarily includes bankruptcy claims, certain non-cash stock-based compensation charges, certain professional fees and charges related to the settlement of bankruptcy claims. For three months ended March 31, 2021, includes $100 million associated with the suspension of depreciation for the Donlen business while classified as held for sale, partially offset by charges for a multiemployer pension plan withdrawal liability.

Note 15—Reorganization Items, Net

The Debtors incurred incremental costs as a result of the Chapter 11 Cases and settlement of liabilities under the Plan of Reorganization which were recorded as reorganization items, net in the accompanying unaudited condensed consolidated statement of operations for the three months ended March 31, 2021.

During the three months ended March 31, 2021, the Company incurred $42 million of charges primarily for professional fees of $57 million, partially offset by $15 million in write-offs for certain pre-petition claims and lease settlements. During the three months ended March 31, 2021, cash payments were $58 million for reorganization items. There were no cash payments for the three months ended March 31, 2022. As of March 31, 2022 and December 31, 2021, $25 million was recorded in accounts payable in the accompanying unaudited condensed consolidated balance sheet.

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

Hertz Global Holdings, Inc. is a holding company and its principal, wholly-owned subsidiary is The Hertz Corporation. Hertz Global consolidates Hertz for financial statement purposes, and 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 herein is for Hertz and also applies to Hertz Global in all material respects, unless otherwise noted. 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.

The statements in this MD&A regarding industry outlook, our expectations regarding the performance of our business and the other non-historical statements are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. The following MD&A provides information that we believe to be relevant to an understanding of our consolidated financial condition and results of operations.

This MD&A should be read in conjunction with the MD&A presented in our 2021 Form 10-K together with the sections entitled "Cautionary Note Regarding Forward-Looking Statements," Part II, Item 1A, "Risk Factors," and our unaudited condensed consolidated financial statements and accompanying notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022 (this "Quarterly 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 revenue earning 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 the following non-GAAP measure and key metrics:

- *Adjusted Corporate EBITDA – important non-GAAP measure 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 investors to assess our operational performance on the same basis that management uses internally. Adjusted EBITDA, the segment measure of profitability and accordingly a GAAP measure, is calculated exclusive of certain items which are largely consistent with those used in the calculation of Adjusted Corporate EBITDA.*
- *Vehicle Utilization – Effective in the first quarter of 2022, in connection with the appointment of the new CEO (who serves as our Chief Operating Decision Maker) and arising from significantly increased activity in vehicle dispositions, we began using Average Rentable Vehicles in the denominator in our calculation of Vehicle Utilization. Vehicle Utilization is calculated by dividing total Transaction Days by Available Car Days. Available Car Days represents Average Rentable Vehicles multiplied by the number of days in a given period. Average Rentable Vehicles excludes vehicles for sale on our retail lots or actively in the process of being sold through other disposition channels. We believe this is a better measure of the productivity of our rental fleet as it is unaffected by fluctuations in disposition activity. Accordingly, prior periods have been restated to conform with the revised definition.*

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

- *Depreciation Per Unit Per Month – important key metric 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 expected time of disposal and expected hold period of the vehicles. 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 key metric 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. Effective in the third quarter of 2021, we revised our calculation of Total RPD to include ancillary retail vehicle sales revenues to better align with current industry practice, and accordingly, prior periods have been restated to conform with the revised definition.*
- *Total Revenue Per Unit Per Month ("Total RPU") – important key metric to management and investors as it provides a measure of revenue productivity relative to the number of vehicles in our rental fleet whether owned or leased ("Average Rentable Vehicles"). Effective in the third quarter of 2021, we revised our calculation of Total RPU to include ancillary retail vehicle sales revenues to better align with current industry practice and effective in the first quarter of 2022, we revised to use Average Rentable Vehicles as the denominator in our calculation of Total RPU. Average Rentable Vehicles excludes vehicles for sale on the Company's retail lots or actively in the process of being sold through other disposition channels. We believe this is a better measure of the productivity of our rental fleet as it is unaffected by fluctuations in disposition activity. There has been no change to revenue as used in the numerator of the calculation which includes vehicle rental and rental related revenues, licensee revenue and ancillary retail vehicle sales revenue. Prior periods have been restated to conform with the revised definition.*
- *Transaction Days – important key metric 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.*

Our non-GAAP measure and key metrics 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 non-GAAP measure and key metrics are defined, and the non-GAAP measure is reconciled to its 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 Holdings 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 from company-owned, licensee and franchisee locations in North America, Europe, Latin America, Africa, Asia, Australia, the Caribbean, the Middle East and New Zealand. We also sell vehicles through Hertz Car Sales and operate the Firefly vehicle rental brand and Hertz 24/7 car sharing business in international markets. Previously, in addition to vehicle rental, we provided integrated vehicle leasing and fleet management solutions through our Donlen subsidiary, which was sold on March 30, 2021.

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

OVERVIEW OF OUR BUSINESS AND OPERATING ENVIRONMENT

Impact of COVID-19 on our Business Environment

In March 2020, the World Health Organization declared COVID-19 a pandemic, affecting multiple global regions. In an effort to halt the spread of COVID-19, many governments around the world placed significant restrictions on travel. Beginning in the second half of 2021, and continuing into 2022, many government-imposed restrictions have been lifted or eased, and travel, particularly domestic leisure travel, has experienced a strong rebound. However, there remains continued uncertainty about the duration of the COVID-19 pandemic and its variants.

Voluntary Petitions for Bankruptcy and Emergence

On May 22, 2020, the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Court. On June 10, 2021, the Plan of Reorganization was confirmed by the Bankruptcy Court and on June 30, 2021, the Plan of Reorganization became effective and the Debtors emerged from Chapter 11.

Our Business

We are engaged principally in the business of renting vehicles primarily through our Hertz, Dollar and Thrifty brands. 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, including residual values. Our business requires significant expenditures for vehicles, and as such, we require substantial liquidity to finance such expenditures.

Our strategy is focused on excellence in execution of our rental operations, electrification of the fleet, shared mobility, connected cars and exiting vehicles from the fleet directly to consumers. Our revenues are primarily derived from rental and related charges and consist of worldwide vehicle rental revenues from all company-operated vehicle rental operations and 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, including the sale of loss or collision damage waivers, theft protection, liability and personal accident/effects insurance coverage, premium emergency roadside service and other products and fees. Also included are ancillary revenues associated with retail vehicle sales and certain royalty fees from our franchisees (such fees are less than 2% of total revenues each period).

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 gains and losses and related costs associated with the disposal of vehicles;
- Depreciation and amortization expense relating to non-vehicle assets;
- Selling, general and administrative expense ("SG&A"), which includes advertising costs and administrative personnel costs, along with costs for information technology and finance transformation programs; and
- Interest expense, net.

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 months ("our peak season") for the majority of countries where we generate our revenues. To accommodate increased demand, we increase our available fleet and staff. As demand declines, fleet 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. 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, and minimum staffing costs, remain fixed and cannot be adjusted for demand.

Our Reportable Segments

In the second quarter of 2021, in connection with our emergence from Chapter 11, and changes in how our CODM regularly reviews operating results and allocates resources, we revised our reportable segments to include Canada, Latin America and the Caribbean in our Americas RAC reportable segment, which were previously included in our International RAC reportable segment. Accordingly, prior periods have been restated to conform with the revised presentation. We have identified two reportable segments, which are consistent with our operating segments and organized based on the products and services provided and the geographic areas in which business is conducted, as follows:

- Americas RAC – Rental of vehicles, as well as sales of value-added services, in the U.S., Canada, Latin America and the Caribbean; and
- International RAC – Rental and leasing of vehicles, as well as sales of value-added services, internationally and consists primarily of our Europe and other international locations.

Also, in the second quarter of 2021, as a result of the Donlen Sale, the All Other Operations reportable segment, which was primarily comprised of the Donlen business, was no longer deemed to be a reportable segment.

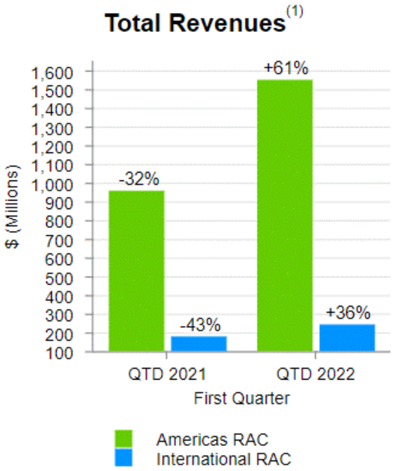
In addition to the above reportable segments, we have corporate operations. We assess performance and allocate resources based upon the financial information for our operating segments.

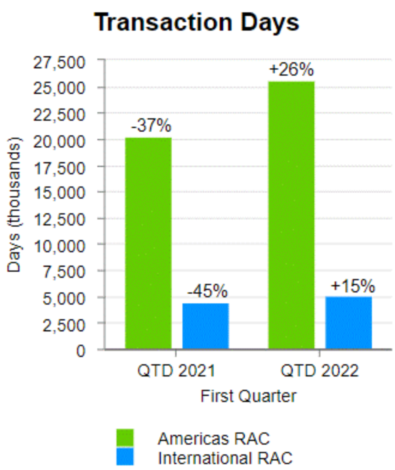
Three Months Ended March 31, 2022 Operating Overview

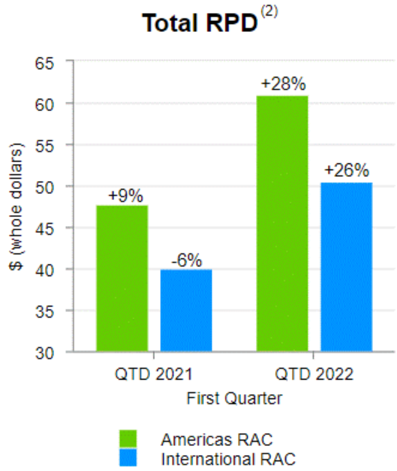
Effective in the first quarter of 2022, we began using Average Rentable Vehicles in the denominator in our calculation of Vehicle Utilization and Total RPU. Average Rentable Vehicles excludes vehicles for sale on our retail lots or actively in the process of being sold through other disposition channels. We believe this is a better measure of the productivity of our rental fleet as it is unaffected by fluctuations in disposition activity. Accordingly, prior periods have been restated to reflect this change. Effective during the third quarter of 2021, we changed our definition of Total RPD and Total RPU to include ancillary retail sales revenues to better align with current industry practice, and accordingly, prior periods have been restated to conform with the revised definitions. Effective during the second quarter of 2021, we began reporting non-vehicle depreciation expense on a separate line item in the consolidated statement of operations, and accordingly, prior periods have been restated to reflect this change.

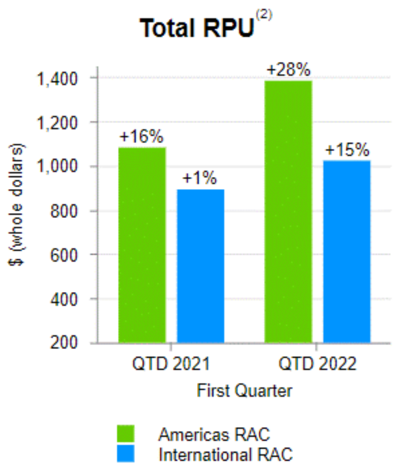
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

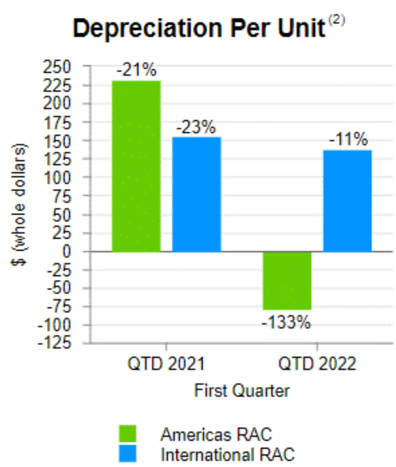
The following charts provide several key factors influencing our results for the three months ended March 31, 2022 and 2021.

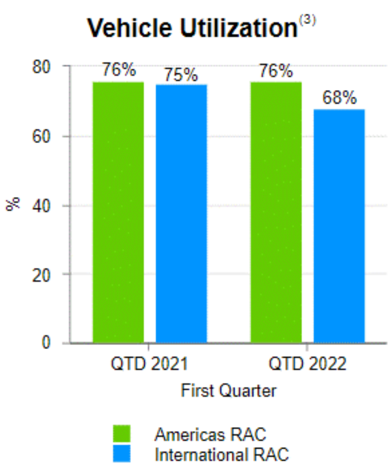












(1) Includes impact of foreign currency exchange at average rates ("fx").

(2) Results shown are in constant currency as of December 31, 2021.

(3) The percentages shown in this chart reflect Vehicle Utilization versus period-over-period change.

For more information on the above, see the discussion of our results on a consolidated basis and by segment that follows herein. In this MD&A, certain amounts in the following tables are denoted as in millions. Amounts such as percentages are calculated from the underlying numbers in thousands, and as a result, may not agree to the amount when calculated from the tables in millions.

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

Critical Accounting Estimates

The continued uncertainty of the duration and impact from COVID-19 could have a material impact to certain critical accounting estimates, and as a result, may have an adverse impact on our future operating results.

Revenue Earning Vehicles

Our principal assets are revenue earning vehicles, which represent approximately 58% of our total assets as of March 31, 2022. As a result of a semiconductor microchip manufacturing shortage and associated impacts to residual values, changes in these variables could cause a material change in our estimates regarding depreciation expense.

CONSOLIDATED RESULTS OF OPERATIONS – HERTZ

	Three Months Ended March 31,		
($ In millions)	2022	2021	Percent Increase/(Decrease)
Total revenues	$ 1,810	$ 1,289	40%
Direct vehicle and operating expenses	1,053	778	35
Depreciation of revenue earning vehicles and lease charges, net	(59)	243	NM
Non-vehicle depreciation and amortization	33	54	(39)
Selling, general and administrative expenses	235	151	56
Interest expense, net:			
Vehicle	5	104	(95)
Non-vehicle	39	44	(10)
Interest expense, net	44	148	(70)
Other (income) expense, net	(2)	(3)	(44)
Reorganization items, net	—	42	(100)
(Gain) from the sale of a business	—	(392)	(100)
Income (loss) before income taxes	506	268	89
Income tax (provision) benefit	(130)	(79)	65
Net income (loss)	376	189	99
Net (income) loss attributable to noncontrolling interests	—	1	(100)
Net income (loss) attributable to Hertz	$ 376	$ 190	98
Adjusted Corporate EBITDA[a]	$ 614	$ 2	NM

The footnote in the table above is 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 March 31, 2022 Compared with Three Months Ended March 31, 2021

Total revenues increased $522 million in the first quarter of 2022 compared to 2021 due primarily to increased travel demand resulting from the easing of government-imposed travel restrictions, where there was an increase of $591 million and $67 million in our Americas RAC and International RAC segments, respectively, partially offset by a decrease of $136 million in All other operations. Americas RAC revenues increased due primarily to higher volume and pricing. Excluding a $17 million fx impact, revenues for our International RAC segment increased $83 million due primarily to higher pricing and volume. All other operations decreased due to the Donlen Sale in the first quarter of 2021.

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

DOE increased $275 million in the first quarter of 2022 compared to 2021 due primarily to an increase of $262 million and $26 million in our Americas RAC and International RAC segments, respectively. DOE in our Americas RAC segment increased due primarily to higher volume driven by increased travel demand. Excluding a $10 million fx impact, DOE in our International RAC segment increased $37 million due primarily to higher volume driven by the increased travel demand discussed above.

Depreciation of revenue earning vehicles and lease charges, net decreased $302 million in the first quarter of 2022 compared to 2021 due primarily to a decrease of $303 million in our Americas RAC segment. The decrease in our Americas RAC segment was due primarily to strength in residual values and longer vehicle holding periods resulting in an increase in vehicles that were fully depreciated and an increase in gains recognized on the disposition of vehicles.

Non-vehicle depreciation and amortization decreased $21 million in the first quarter of 2022 compared to 2021 due primarily to lower depreciation expense resulting from fully depreciated intangible assets related to concession rights in our Americas RAC segment.

SG&A increased $84 million in the first quarter of 2022 compared to 2021 due primarily to bankruptcy claims and non-cash stock-based compensation costs in Corporate, increased advertising spend in our Americas RAC segment and increased facility costs in our International RAC segment, partly offset by decreased personnel costs.

Vehicle interest expense, net decreased $99 million in the first quarter of 2022 compared to 2021 due primarily to lower average rates from the issuance of HVF III ABS Notes and the payoff and termination of HVF II debt in accordance with the Plan of Reorganization in 2021 and $44 million of unrealized gains on interest rate caps on the HVF III ABS Notes primarily in our Americas RAC segment.

Non-vehicle interest expense, net decreased $4 million in the first quarter of 2022 compared to 2021 due primarily to lower average interest rates partially offset by higher debt levels.

In the first quarter of 2021, we incurred $42 million of net reorganization charges in our corporate operations primarily for professional fees associated with the Chapter 11 Cases.

The effective tax rate was 26% and 29% in the first quarter of 2022 and 2021, respectively, and we recorded a tax provision of $130 million and $79 million in the first quarter of 2022 and 2021, respectively. The increase in our tax provision was driven by improvements in our financial performance and changes in the mix of earnings and losses for jurisdictions for which no tax benefit can be recognized.

CONSOLIDATED RESULTS OF OPERATIONS – HERTZ GLOBAL

The above discussion for Hertz also applies to Hertz Global.

Hertz Global had $50 million of income from the change in fair value of Public Warrants that was incremental to Hertz for the three months ended March 31, 2022.

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

RESULTS OF OPERATIONS AND SELECTED OPERATING DATA BY SEGMENT

Americas RAC

($ In millions, except as noted)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Percent Increase/(Decrease)
Total revenues	$ 1,558	$ 967	61%
Depreciation of revenue earning vehicles and lease charges, net	$ (93)	$ 210	NM
Direct vehicle and operating expenses	$ 903	$ 641	41
Direct vehicle and operating expenses as a percentage of total revenues	58 %	66 %	
Non-vehicle depreciation and amortization	$ 26	$ 44	(40)
Selling, general and administrative expenses	$ 86	$ 52	65
Selling, general and administrative expenses as a percentage of total revenues	6 %	5 %	
Vehicle interest expense	$ 2	$ 72	(98)
Reorganization items, net	$ —	$ (14)	(100)
Adjusted EBITDA	$ 641	$ 26	NM
Transaction Days (in thousands)[(b)]	25,579	20,251	26
Average Vehicles (in whole units)[(f)]	397,620	300,606	32
Average Rentable Vehicles (in whole units)[(c)]	373,153	296,412	26
Vehicle Utilization[(c)]	76 %	76 %	
Total RPD (in dollars)[(d)]	$ 60.90	$ 47.75	28
Total RPU Per Month (in whole dollars)[(e)]	$ 1,391	$ 1,087	28
Depreciation Per Unit Per Month (in whole dollars)[(f)]	$ (78)	$ 233	NM
Percentage of program vehicles as of period end	— %	1 %	

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 March 31, 2022 Compared with Three Months Ended March 31, 2021

Total Americas RAC revenues increased $591 million in the first quarter of 2022 compared to 2021 due primarily to higher pricing and volume. The increase in Total RPD was due primarily to higher pricing across the industry resulting from increased travel demand and industry-wide constraints on vehicles due to the Chip Shortage continuing to affect new vehicle production during the first quarter of 2022. The increase in Transaction Days was driven by volume increases across most leisure and business categories as government-imposed travel restrictions continued to be lifted. Airport revenues comprised 71% of total revenues for the segment in the first quarter of 2022 as compared to 63% in the first quarter of 2021 due primarily to the continued lifting of air travel restrictions discussed above.

Depreciation of revenue earning vehicles and lease charges, net for Americas RAC decreased $303 million in the first quarter of 2022 compared to 2021. Depreciation Per Unit Per Month changed to a negative expense of $78 in the first quarter of 2022 compared to an expense of $233 in the first quarter of 2021 due primarily to strength in residual values and longer vehicle holding periods resulting in an increase in vehicles that were fully depreciated and an increase in gains recognized on the disposition of vehicles. Average Vehicles increased compared to 2021 due in part to longer vehicle holding periods.

DOE for Americas RAC increased $262 million in the first quarter of 2022 compared to 2021 due primarily to higher volume driven by the increased travel demand discussed above and increased vehicle maintenance costs due

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

primarily to longer vehicle holding periods resulting from new vehicle production constraints due to the Chip Shortage.

Non-vehicle depreciation and amortization decreased $18 million in the first quarter of 2022 compared to 2021 due primarily to lower depreciation expense resulting from fully depreciated intangible assets related to concession rights.

SG&A for Americas RAC increased $34 million in the first quarter of 2022 compared to 2021 due primarily to increased advertising spend.

Vehicle interest expense for Americas RAC decreased $70 million in the first quarter of 2022 compared to 2021 due to $40 million of unrealized gains on interest rate caps on the HVF III ABS Notes and a decrease resulting from lower average rates resulting from the issuance of the HVF III ABS Notes and the full repayment and termination of the HVF II ABS Notes in accordance with the Plan of Reorganization in 2021.

International RAC

	Three Months Ended March 31,		
($ in millions, except as noted)	2022	2021	Percent Increase/(Decrease)
Total revenues	$ 252	$ 186	36%
Depreciation of revenue earning vehicles and lease charges, net	$ 34	$ 33	3
Direct vehicle and operating expenses	$ 151	$ 124	21
Direct vehicle and operating expenses as a percentage of total revenues	60 %	67 %	
Non-vehicle depreciation and amortization	$ 3	$ 5	(28)
Selling, general and administrative expenses	$ 42	$ 32	34
Selling, general and administrative expenses as a percentage of total revenues	17 %	17 %	
Vehicle interest expense	$ 3	$ 20	(87)
Adjusted EBITDA	$ 27	$ (8)	NM
Transaction Days (in thousands)[(b)]	5,042	4,397	15
Average Vehicles (in whole units)[(f)]	83,591	66,995	25
Average Rentable Vehicles (in whole units)[(c)]	82,364	65,149	26
Vehicle Utilization[(c)]	68 %	75 %	
Total RPD (in dollars)[(d)]	$ 50.43	$ 39.92	26
Total RPU Per Month (in whole dollars)[(e)]	$ 1,029	$ 898	15
Depreciation Per Unit Per Month (in whole dollars)[(f)]	$ 138	$ 156	(11)
Percentage of program vehicles as of period end	29 %	29 %	

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 March 31, 2022 Compared with Three Months Ended March 31, 2021

Total revenues for International RAC increased $67 million in the first quarter of 2022 compared to 2021 due to higher pricing and volume. Excluding a $17 million fx impact, revenues increased $83 million due primarily to higher pricing across the industry resulting from growth in travel demand as government-imposed travel restrictions continued to be eased and industry-wide constraints on vehicle supply due to the Chip Shortage affecting new vehicle production. The increase in Transaction Days was driven by higher volume in Europe as government-imposed travel restrictions were eased resulting in increased travel demand.

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

Depreciation of revenue earning vehicles and lease charges, net for International RAC was flat in the first quarter of 2022 compared to 2021. Excluding a $2 million fx impact, depreciation increased $4 million. Average Vehicles for International RAC increased due in part to longer vehicle holding periods resulting from new vehicle production constraints due to the Chip Shortage. Depreciation Per Unit Per Month for International RAC decreased to $138 for the first quarter of 2022 compared to $156 in the 2021 period due primarily to strength in residual values.

DOE for International RAC increased $26 million in the first quarter of 2022 compared to 2021. Excluding a $10 million fx impact, DOE increased $37 million due primarily to higher volume driven by the increased travel demand discussed above.

SG&A for International RAC increased $11 million in the first quarter of 2022 compared to 2021 due primarily to increased facility costs, partly offset by decreased personnel costs.

Vehicle interest expense for International RAC decreased $17 million in the first quarter of 2022 compared to 2021 due primarily to lower debt levels and unrealized gains on interest rate caps.

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

(a) Adjusted Corporate EBITDA is calculated as net income (loss) attributable to Hertz or Hertz Global, adjusted for income taxes; non-vehicle depreciation and amortization; non-vehicle debt interest, net; vehicle debt-related charges; restructuring and restructuring related charges; information technology and finance transformation costs; reorganization items, net; pre-reorganization items and non-debtor financing charges; gain from the sale of a business; unrealized (gains) losses from financial instruments and certain other miscellaneous items. When evaluating our operating performance, investors should not consider Adjusted Corporate EBITDA in isolation of, or as a substitute for, measures of our financial performance determined in accordance with U.S. GAAP. The reconciliations to the most comparable consolidated U.S. GAAP measure are presented below:

Hertz

(In millions)	Three Months Ended March 31, 2022	2021
Net income (loss) attributable to Hertz	$ 376	$ 190
Adjustments:		
Income tax provision (benefit)	130	79
Non-vehicle depreciation and amortization	33	54
Non-vehicle debt interest, net	39	44
Vehicle debt-related charges[(1)]	7	28
Restructuring and restructuring related charges[(2)]	6	12
Information technology and finance transformation costs[(3)]	(1)	6
Reorganization items, net[(4)]	—	42
Pre-reorganization and non-debtor financing charges[(5)]	—	23
Gain from the Donlen Sale[(6)]	—	(392)
Unrealized (gains) losses on financial instruments[(7)]	(44)	—
Other items[(8)]	68	(84)
Adjusted Corporate EBITDA	$ 614	$ 2

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

Hertz Global

(In millions)	Three Months Ended March 31, 2022	2021
Net income (loss) attributable to Hertz Global	$ 426	$ 190
Adjustments:		
Income tax provision (benefit)	130	79
Non-vehicle depreciation and amortization	33	54
Non-vehicle debt interest, net	39	44
Vehicle debt-related charges[1]	7	28
Restructuring and restructuring related charges[2]	6	12
Information technology and finance transformation costs[3]	(1)	6
Reorganization items, net[4]	—	42
Pre-reorganization and non-debtor financing charges[5]	—	23
Gain from the Donlen Sale[6]	—	(392)
Unrealized (gains) losses on financial instruments[7]	(44)	—
Change in fair value of Public Warrants[9]	(50)	—
Other items[8]	68	(84)
Adjusted Corporate EBITDA	$ 614	$ 2

(1) Represents vehicle debt-related charges relating to the amortization of deferred financing costs and debt discounts and premiums.

(2) Represents charges incurred under restructuring actions as defined in U.S. GAAP. Also includes restructuring related charges such as incremental costs incurred directly supporting business transformation initiatives.

(3) Represents costs associated with our information technology and finance transformation programs, both of which were multi-year initiatives to upgrade and modernize our systems and processes.

(4) Represents charges incurred associated with the filing of and the emergence from the Chapter 11 Cases, as disclosed in Note 15, "Reorganization Items, Net," in Part I, Item 1 of this Quarterly Report.

(5) Represents charges incurred prior to the filing of the Chapter 11 Cases which are comprised of preparation charges for the reorganization, such as professional fees. Also, includes certain non-debtor financing and professional fee charges.

(6) Represents the net gain from the sale of our Donlen business on March 30, 2021 as disclosed in Note 3, "Divestitures," in Part I, Item 1 of this Quarterly Report.

(7) Represents unrealized (gains) losses on derivative financial instruments. See Note 10, "Financial Instruments," in Part I, Item 1 of this Quarterly Report.

(8) Represents miscellaneous items. For 2022, primarily includes bankruptcy claims, certain non-cash stock-based compensation charges, certain professional fees and charges related to the settlement of bankruptcy claims. For 2021, includes $100 million associated with the suspension of depreciation for the Donlen business while classified as held for sale, partially offset by charges for a multiemployer pension plan withdrawal liability.

(9) Represents the change in fair value during the reporting period for Hertz Global's outstanding Public Warrants.

(b) Transaction Days represents 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.

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

(c) Average Rentable Vehicles excludes vehicles for sale on our retail lots or actively in the process of being sold through other disposition channels and determined using a simple average of such vehicles at the beginning and end of a given period. Effective in the first quarter of 2022, as discussed above, we revised our calculation of Vehicle Utilization to use Average Rentable Vehicles in the denominator. Accordingly, prior periods have been restated to conform with the revised definition. Vehicle Utilization is calculated by dividing total Transaction Days by Available Car Days.

	Americas RAC		International RAC	
	Three Months Ended March 31,			
	2022	2021	2022	2021
Transaction Days (in thousands)	25,579	20,251	5,042	4,397
Average Rentable Vehicles (in whole units)	373,153	296,412	82,364	65,149
Number of days in period (in whole units)	90	90	90	90
Available Car Days (in thousands)	33,584	26,690	7,415	5,864
Vehicle Utilization	76 %	76 %	68 %	75 %

(d) Total RPD is calculated as revenues with all periods adjusted to eliminate the effect of fluctuations in foreign currency exchange rates ("Total Revenues - adjusted for foreign currency"), divided by the total number of Transaction Days. As discussed above, effective in the third quarter of 2021, we revised our calculation of Total RPD to include ancillary retail vehicle sales revenues, and accordingly, prior periods have been restated to conform with the revised definition. 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:

	Americas RAC		International RAC	
	Three Months Ended March 31,			
($ in millions, except as noted)	2022	2021	2022	2021
Revenues	$ 1,558	$ 967	$ 252	$ 186
Foreign currency adjustment[(1)]	—	—	2	(10)
Total Revenues - adjusted for foreign currency	$ 1,558	$ 967	$ 254	$ 176
Transaction Days (in thousands)	25,579	20,251	5,042	4,397
Total RPD (in dollars)	$ 60.90	$ 47.75	$ 50.43	$ 39.92

(1) Based on December 31, 2021 foreign currency exchange rates for all periods presented.

(e) Total RPU Per Month is calculated as Total Revenues - adjusted for foreign currency divided by the Average Rentable Vehicles in each period and then divided by the number of months in the period reported. As discussed above, effective in the third quarter 2021, we revised our calculation of Total RPU to include ancillary retail vehicle sales revenues and effective in the first quarter of 2022, we revised our calculation of Total RPU to use Average Rentable Vehicles as the denominator. Accordingly, prior periods have been restated to conform with the revised definition.

	Americas RAC		International RAC	
	Three Months Ended March 31,			
($ in millions, except as noted)	2022	2021	2022	2021
Total Revenues - adjusted for foreign currency	$ 1,558	$ 967	$ 254	$ 176
Average Rentable Vehicles (in whole units)	373,153	296,412	82,364	65,149
Total revenue per unit (in whole dollars)	$ 4,174	$ 3,262	$ 3,087	$ 2,694
Number of months in period (in whole units)	3	3	3	3
Total RPU Per Month (in whole dollars)	$ 1,391	$ 1,087	$ 1,029	$ 898

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

(f) Depreciation Per Unit Per Month represents the amount of average depreciation expense and lease charges, 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, which is determined using a simple average of the number of vehicles at the beginning and end of a 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 Depreciation Per Unit Per Month is shown below:

	Americas RAC		International RAC	
	Three Months Ended March 31,			
($ in millions, except as noted)	2022	2021	2022	2021
Depreciation of revenue earning vehicles and lease charges, net	$ (93)	$ 210	$ 34	$ 33
Foreign currency adjustment(1)	—	—	1	(2)
Adjusted depreciation of revenue earning vehicles and lease charges	$ (93)	$ 210	$ 35	$ 31
Average Vehicles (in whole units)	397,620	300,606	83,591	66,995
Adjusted depreciation of revenue earning vehicles and lease charges divided by Average Vehicles (in whole dollars)	$ (234)	$ 698	$ 415	$ 468
Number of months in period (in whole units)	3	3	3	3
Depreciation Per Unit Per Month (in whole dollars)	$ (78)	$ 233	$ 138	$ 156

(1) Based on December 31, 2021 foreign currency exchange rates for all 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, both debt and equity, maintained by us in the U.S. and internationally.

Cash and Cash Equivalents

As of March 31, 2022, we had $1.5 billion of cash and cash equivalents and $601 million of restricted cash and cash equivalents. As of March 31, 2022, $408 million of cash and cash equivalents and $86 million of restricted cash and cash equivalents were held by our subsidiaries outside of the U.S. We do not assert permanent reinvestment with respect to our non-U.S. earnings, and if not in the form of loan repayments or subject to favorable tax treaties, repatriation of some of these funds under current regulatory and tax law for use in domestic operations could expose us to additional cash 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 our operating activities and obligations for the next twelve months.

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

Cash Flows - Hertz

As of March 31, 2022 and December 31, 2021, Hertz had cash and cash equivalents of $1.5 billion and $2.3 billion, respectively, and restricted cash and cash equivalents of $601 million and $393 million, respectively. The following table summarizes the net change in cash and cash equivalents and restricted cash and cash equivalents for the periods shown:

(In millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	$ Change
Cash provided by (used in):			
Operating activities	$ 621	$ 200	$ 421
Investing activities	(1,541)	(18)	(1,523)
Financing activities	392	692	(300)
Effect of exchange rate changes	(1)	(12)	11
Net change in cash and cash equivalents and restricted cash and cash equivalents	$ (529)	$ 862	$ (1,391)

During the three months ended March 31, 2022, cash flows from operating activities increased by $421 million period over period due primarily to a $262 million change in net income attributable to Hertz, as adjusted for non-cash and non-operating items, and a $159 million change in working capital accounts. Cash flows from working capital accounts increased due primarily to the reduction of reorganization items and professional fees and the elimination of certain expense prepayment requirements while in Chapter 11, partially offset by the payment of bankruptcy claims in 2022 that had been previously deferred and subject to compromise while in Chapter 11 in 2021.

Our primary investing activities relate to the acquisition and disposal of revenue earning vehicles. During the three months ended March 31, 2022, there was a $1.5 billion increase in the cash used in investing activities period over period due primarily to $818 million of net proceeds received from the Donlen Sale in 2021 with no comparable in the 2022 period and a $683 million net increase in cash expenditures primarily resulting from the acquisition of vehicles to meet the increased travel demand as government-imposed travel restrictions were lifted.

Net financing cash inflows were $392 million in the three months ended March 31, 2022 compared to cash inflows of $692 million in the 2021 period. The decrease in cash inflows was due in part to $767 million of dividends paid to Hertz Holdings to fund share repurchases, partially offset by $474 million of net proceeds primarily related to the issuance of new vehicle debt.

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

Cash Flows - Hertz Global

As of March 31, 2022 and December 31, 2021, Hertz Global had cash and cash equivalents of $1.5 billion and $2.3 billion, respectively, and restricted cash and cash equivalents of $601 million and $393 million, respectively. The following table summarizes the net change in cash and cash equivalents and restricted cash and cash equivalents for the periods shown:

(In millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	$ Change
Cash provided by (used in):			
Operating activities	$ 621	$ 200	$ 421
Investing activities	(1,541)	(18)	(1,523)
Financing activities	392	692	(300)
Effect of exchange rate changes	(1)	(12)	11
Net change in cash and cash equivalents and restricted cash and cash equivalents	$ (529)	$ 862	$ (1,391)

Fluctuations in operating, investing and financing cash flows from period to period were due to the same factors as those disclosed for Hertz above, with the exception of any cash inflows or outflows related to the repurchase of our common stock and the exercise of Public Warrants as disclosed in Note 8, "Public Warrants, Equity and Earnings (Loss) Per Common Share – Hertz Global," in Part I, Item 1 of this Quarterly Report.

Equity Financing

Share Repurchase Program for Common Stock

In November 2021, Hertz Global's Board of Directors approved a share repurchase program that authorizes the repurchase of up to $2.0 billion worth of shares of Hertz Global's outstanding common stock. Between January 1, 2022 and March 31, 2022, a total of 34,964,965 shares of Hertz Global's common stock were repurchased at an average share price of $20.65 resulting in an aggregate purchase price of $722 million. These amounts are included in treasury stock in the accompanying Hertz Global unaudited condensed consolidated balance sheet as of March 31, 2022 in Part I, Item 1 of this Quarterly Report. Hertz Global funded the share repurchases with available cash and dividend distributions from Hertz.

Between April 1, 2022 and April 21, 2022, a total of 3,159,382 shares of Hertz Global's common stock were repurchased at an average share price of $22.16 resulting in an aggregate purchase price of $70 million, resulting in a total of 55,230,373 shares of Hertz Global's common stock repurchased for a total of $1.2 billion since the inception of the program.

Debt Financing

In January 2022, HVF III Series 2022-1 Notes were issued in an aggregate principal amount of $750 million. An affiliate of HVF III purchased the Class D Notes, and as a result approximately $98 million of the aggregate principal amount is eliminated in consolidation.

In January 2022, HVF III Series 2022-2 Notes were issued in an aggregate principal amount of $750 million. An affiliate of HVF III purchased the Class D Notes, and as a result approximately $98 million of the aggregate principal amount is eliminated in consolidation.

In January 2022, the Australian Securitization was amended to increase the aggregate maximum borrowings to AUD250 million and to extend the maturity to April 2024.

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

In March 2022, HVF III Series 2022-3 Notes were issued in an aggregate principal amount of $383 million. An affiliate of HVF III purchased the Class D Notes, and as a result approximately $50 million of the aggregate principal amount is eliminated in consolidation.

In March 2022, HVF III Series 2022-4 Notes were issued in an aggregate principal amount of $667 million. An affiliate of HVF III purchased the Class D Notes, and as a result approximately $87 million of the aggregate principal amount is eliminated in consolidation.

In March 2022, HVF III Series 2022-5 Notes were issued in an aggregate principal amount of $364 million. An affiliate of HVF III purchased the Class D Notes, and as a result approximately $47 million of the aggregate principal amount is eliminated in consolidation.

In March 2022, an amendment was made to the First Lien RCF to (i) increase the aggregate committed amount from $1.3 billion to $1.5 billion, (ii) increase the sublimit for letters of credit from $1.1 billion to $1.4 billion and (iii) change the benchmark from USD LIBOR to a SOFR-based rate.

In March 2022, the Series 2021-A Notes were amended to increase the maximum principal amount from $3.0 billion to $3.2 billion.

In March 2022, Hertz U.K. Limited amended the U.K. Toyota Financing Facility to increase aggregate maximum borrowings from £10 million to £25 million and extended the maturity to October 2022.

In April 2022, Hertz New Zealand Holdings Limited, an indirect, wholly-owned subsidiary of Hertz, amended its credit agreement to extend the maturity to June 2024.

In April 2022, Hertz U.K. Limited amended the U.K. Financing Facility to provide for aggregate maximum borrowings of up to £120 million, for a seasonal commitment period through October 2022. Following the expiration of the seasonal commitment period, aggregate maximum borrowings will revert to £100 million. Additionally, the U.K. Financing Facility was amended to extend the maturity of the aggregate maximum borrowings of £100 million to October 2023.

Substantially all of our 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 the value of such assets (including the assets owned by Hertz Vehicle Financing III LLC and various international subsidiaries that facilitate our international securitizations) will be available to satisfy the claims of unsecured creditors unless the secured creditors are paid in full.

Refer to Note 5, "Debt," in Part I, Item 1 of this Quarterly Report for information on our outstanding debt obligations and our borrowing capacity and availability under our revolving credit facilities as of March 31, 2022. Cash paid for interest on vehicle debt during the three months ended March 31, 2022 and 2021 was $39 million and $69 million, respectively. The $30 million decrease in cash paid for vehicle debt interest is due primarily to lower average rates from the issuance of HVF III ABS Notes and the payoff and termination of HVF II debt in accordance with the Plan of Reorganization in 2021. Cash paid for interest on non-vehicle debt during the three months ended March 31, 2022 and 2021 was $17 million and $30 million, respectively. The $13 million decrease in cash paid for non-vehicle debt interest is due primarily to the payoff and termination of non-vehicle debt in accordance with the Plan of Reorganization in 2021.

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

Our available corporate liquidity, which excludes unused commitments under our vehicle debt, was as follows:

(In millions)	March 31, 2022	December 31, 2021
Cash and cash equivalents	$ 1,520	$ 2,257
Availability under the First Lien RCF	1,138	925
Corporate liquidity	$ 2,658	$ 3,182

Letters of Credit

As of March 31, 2022, there were outstanding standby letters of credit totaling $585 million comprised primarily of $232 million issued under the Term C Loan and $337 million were issued under the First Lien RCF. As of March 31, 2022, there remains $13 million of capacity to issue letters of credit under the Term C Loan. Such letters of credit have been issued primarily to provide credit enhancement for our asset-backed securitization facilities, as well as to support our insurance programs and vehicle rental concessions and leaseholds. As of March 31, 2022, none of the issued letters of credit have been drawn upon.

Covenants

The First Lien Credit Agreement requires us to comply with the following financial covenant: a First Lien Ratio of less than or equal to 3.00 to 1.00 in the first and last quarters of the calendar year and 3.50 to 1.00 in the second and third quarters of the calendar year. The financial covenant disclosed above was effective beginning in the third quarter of 2021. As of March 31, 2022, we were in compliance with the First Lien Ratio.

In addition to financial covenants, the First Lien Credit Agreement contains customary affirmative covenants including, among other things, the delivery of quarterly and annual financial statements and compliance certificates, conduct of business, maintenance of property and insurance, compliance with environmental laws and the granting of security interest for the benefit of the secured parties under that agreement on after-acquired real property, fixtures and future subsidiaries. The First Lien Credit Agreement also contains customary negative covenants, including, among other things, the incurrence of liens, indebtedness, asset dispositions and restricted payments. As of March 31, 2022, we were in compliance with all covenants in the First Lien Credit Agreement.

Capital Expenditures

Revenue Earning Vehicles Expenditures and Disposals

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

Cash inflow (cash outflow)	Revenue Earning Vehicles		
(In millions)	Capital Expenditures	Disposal Proceeds	Net Capital Expenditures
2022			
First Quarter	$ (2,985)	$ 1,471	$ (1,514)
2021			
First Quarter	$ (1,517)	$ 686	$ (831)

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

The table below sets forth expenditures for revenue earning vehicles, net of disposal proceeds:

Cash inflow (cash outflow) ($ in millions)	Three Months Ended March 31, 2022	2021	$ Change	% Change
Americas RAC	$ (1,440)	$ (812)	$ (628)	77
International RAC	(74)	65	(139)	NM
All other operations[(1)]	—	(84)	84	(100)
Total	$ (1,514)	$ (831)	$ (683)	82

(1) Substantially comprised of our Donlen business, which was sold on March 30, 2021 as disclosed in Note 3, "Divestitures," in Part I, Item 1 of this Quarterly Report.
NM - Not meaningful

Revenue earning vehicle expenditures increased approximately $1.5 billion, or 97%, in the first quarter of 2022 compared to the 2021 period, primarily in our Americas RAC segment, resulting from the acquisition of vehicles to meet the increased travel demand as government-imposed travel restrictions were lifted. Revenue earning vehicle disposal proceeds increased $785 million for the first quarter of 2022 compared to the 2021 period due primarily to increased vehicle dispositions primarily in our Americas RAC segment.

Non-Vehicle Capital Asset Expenditures and Disposals

The table below sets forth our non-vehicle capital asset expenditures and related disposal proceeds from non-vehicle capital assets disposed of or to be disposed of for the periods shown:

Cash inflow (cash outflow) (In millions)	Non-Vehicle Capital Assets: Capital Expenditures	Disposal Proceeds	Net Capital Expenditures
2022			
First Quarter	$ (30)	$ 1	$ (29)
2021			
First Quarter	$ (9)	$ 4	$ (5)

The table below sets forth non-vehicle capital asset expenditures, net of disposal proceeds:

Cash inflow (cash outflow) ($ in millions)	Three Months Ended March 31, 2022	2021	$ Change	% Change
Americas RAC	$ (28)	$ (3)	$ (25)	NM
International RAC	(2)	—	(2)	NM
All other operations[(1)]	—	(1)	1	(100)
Corporate	1	(1)	2	NM
Total	$ (29)	$ (5)	$ (24)	NM

(1) Substantially comprised of our Donlen business, which was sold on March 30, 2021 as disclosed in Note 3, "Divestitures," in Part I, Item 1 of this Quarterly Report.
NM - Not meaningful

In the first quarter of 2022, net expenditures for non-vehicle capital assets increased by $21 million compared to the 2021 period, primarily in our Americas RAC segment, resulting from the restart of location refurbishment projects put on hold during the Chapter 11 Cases.

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

CONTRACTUAL OBLIGATIONS

As of March 31, 2022, 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 of our 2021 Form 10-K. Changes to our aggregate indebtedness, including related interest and terms of new issuances, are disclosed in Note 5, "Debt," in Part I, Item 1 of this Quarterly Report.

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 14, "Contingencies and Off-Balance Sheet Commitments," in Part II, Item 8 of our 2021 Form 10-K.

We regularly evaluate the probability of having to incur costs associated with these indemnification obligations and have accrued for expected losses that are probable and estimable.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

There have been no significant changes due to recently issued accounting pronouncements as compared to those disclosed in Note 2, "Significant Accounting Policies," in Part II, Item 8 of our 2021 Form 10-K.

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this 2021 Annual Report include "forward-looking statements." Forward-looking statements are identified by words such as "believe," "expect," "project," "potential," "anticipate," "intend," "plan," "estimate," "seek," "will," "may," "would," "should," "could," "forecasts," "guidance" or similar expressions, and include information concerning our liquidity, our results of operations, our business strategies and other information about our business. 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. We believe these judgments are reasonable, but you should understand that these statements are not guarantees of future 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.

Important factors that could affect our actual results and cause them to differ materially from those expressed in forward-looking statements include, among other things, those that may be disclosed from time to time in subsequent reports filed with or furnished to the SEC, those described under Item 1A, "Risk Factors," included in our 2021 Form 10-K and this Quarterly Report and the following, which were derived in part from the risks set forth in Item 1A, "Risk Factors," of our 2021 Form 10-K and this Quarterly Report:

- *the length and severity of COVID-19 and the impact on our vehicle rental business as a result of travel restrictions and business closures or disruptions, as well as the impact on our employee retention and talent management strategies;*
- *the impact of macroeconomic conditions resulting in inflationary cost pressures resulting in labor and supply chain constraints and increased vehicle acquisition costs, among others;*
- *our ability to purchase adequate supplies of competitively priced vehicles at a reasonable cost as a result of the continuing global semiconductor microchip manufacturing shortage (the "Chip Shortage") and other raw material supply constraints;*
- *the impact of the conflict between Russia and Ukraine on supply chains and raw materials for the automotive industry and uncertainty on overall consumer sentiment and travel demand, especially in Europe;*
- *the impact on the value of our non-program vehicles upon disposition when the Chip Shortage and other raw material supply constraints are alleviated;*
- *our ability to attract and retain key employees;*
- *levels of travel demand, particularly business and leisure travel in the U.S. and in global markets;*
- *significant changes in the competitive environment and the effect of competition in our markets on rental volume and pricing;*
- *occurrences that disrupt rental activity during our peak periods;*
- *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 implement our business strategy, including our ability to implement plans to support a large scale electric vehicle fleet and to play a central role in the modern mobility ecosystem;*
- *our ability to adequately respond to changes in technology, customer demands and market competition;*
- *the mix of program and non-program vehicles in our fleet can lead to increased exposure to residual risk;*
- *our ability to dispose of vehicles in the used-vehicle market and use the proceeds of such sales to acquire new vehicles;*

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

- *financial instability of the manufacturers of our vehicles, which could impact their ability to fulfill obligations under repurchase or guaranteed depreciation programs;*
- *an increase in our vehicle costs or disruption to our rental activity due to safety recalls by the manufacturers of our vehicles;*
- *our access to third-party distribution channels and related prices, commission structures and transaction volumes;*
- *our ability to offer an excellent customer experience, retain and increase customer loyalty and market share;*
- *our ability to maintain our network of leases and vehicle rental concessions at airports in the U.S. and internationally;*
- *our ability to maintain favorable brand recognition and a coordinated branding and portfolio strategy;*
- *major disruption in our communication or centralized information networks or a failure to maintain, upgrade and consolidate our information technology systems;*
- *our ability to prevent the misuse or theft of information we possess, including as a result of cyber security breaches and other security threats, as well as our ability to comply with privacy regulations;*
- *risks associated with operating in many different countries, including the risk of a violation or alleged violation of applicable anti-corruption or anti-bribery laws and our ability to repatriate cash from non-U.S. affiliates without adverse tax consequences;*
- *our ability to utilize our net operating loss carryforwards;*
- *risks relating to tax laws, including those that affect our ability to deduct certain business interest expenses and offset previously-deferred tax gains, as well as any adverse determinations or rulings by tax authorities;*
- *changes in laws, regulations, policies or other activities of governments, agencies and similar organizations, including those related to accounting principles, that affect our operations, our costs or applicable tax rates;*
- *the recoverability of our goodwill and indefinite-lived intangible assets when performing impairment analysis;*
- *costs and risks associated with potential litigation and investigations, compliance with and changes in laws and regulations and potential exposures under environmental laws and regulations; and*
- *the availability of additional or continued sources of financing for our revenue earning vehicles and to refinance our existing indebtedness.*

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 of this Quarterly Report and, except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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 of our 2021 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. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2022, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

HERTZ

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. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2022, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of certain pending legal proceedings see Note 12, "Contingencies and Off-Balance Sheet Commitments," in Part I, Item 1 of this Quarterly Report.

ITEM 1A. RISK FACTORS

Part I, Item 1A of our 2021 Form 10-K for the year ended December 31, 2021, includes certain risk factors that could materially affect our business, financial condition or future results. There have been no material changes in those risk factors, except as listed below:

Risks Related to our Business

Our business, financial condition and results of operations could be adversely affected by disruptions in the global economy caused by the ongoing conflict between Russia and Ukraine.

The global economy has been negatively impacted by the military conflict between Russia and Ukraine. Furthermore, governments in the U.S., United Kingdom, and European Union have each imposed export controls on certain products and financial and economic sanctions on certain industry sectors and parties in Russia. Shortages in materials and increased costs for transportation, energy, and raw material, as well as uncertainty on overall consumer sentiment and travel demand, especially in Europe, are some of the negative impacts of the Russia-Ukraine military conflict on the global economy. In particular, shortages and increased costs relating to raw materials extracted from, or components produced in, Russia and/or Ukraine, which are important to the vehicle manufacturing industry including the production of electric vehicle batteries, may impact vehicle production volumes, delivery schedules and costs. Further escalation of geopolitical tensions related to the military conflict, including increased trade barriers or restrictions on global trade, could result in, among other things, cyberattacks, supply disruptions, lower consumer demand, and changes to foreign exchange rates and financial markets, any of which may adversely affect our business and further exacerbate supply chain issues in the automotive industry. In addition, the effects of the ongoing conflict could heighten many of our known risks described in Part I, Item 1A, *"Risk Factors"* in our 2021 Form 10-K.

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

The following table provides a breakdown of our equity security repurchases during the first quarter of 2022.

	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of the publicly announced plan or program	(d) Maximum number (or approximate dollar value) of shares that may yet be purchased under the publicly announced plan or program (In thousands)
Common Stock				
January 1 – January 31, 2022	12,238,858	$ 21.65	12,238,858	$ 1,327,418
February 1 – February 28, 2022	12,271,099	$ 19.59	12,271,099	$ 1,087,000
March 1 – March 31, 2022	10,455,008	$ 20.71	10,455,008	$ 870,466
Total	34,964,965	$ 20.65	34,964,965	$ 870,466

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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 Quarterly Report is filed as part of this Quarterly Report and is incorporated herein by reference in response to this item.

SIGNATURE

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

Date: April 27, 2022	HERTZ GLOBAL HOLDINGS, INC. THE HERTZ CORPORATION (Registrants)
	By: /s/ KENNY CHEUNG
	Kenny Cheung *Executive Vice President and Chief Financial Officer*

EXHIBIT INDEX

Exhibit Number		Description
10.1	Hertz Holdings Hertz	Series 2022-3 Supplement, dated as of March 30, 2021, among Hertz Vehicle Financing III LLC, as issuer, The Hertz Corporation, as administrator, and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 10.1 to the Current Report of Hertz Global Holdings, Inc. (File No. 001-37665) and The Hertz Corporation (File No. 001-07541), as filed on April 1, 2022).
10.2	Hertz Holdings Hertz	Series 2022-4 Supplement, dated as of March 30, 2021, among Hertz Vehicle Financing III LLC, as issuer, The Hertz Corporation, as administrator, and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 10.2 to the Current Report of Hertz Global Holdings, Inc. (File No. 001-37665) and The Hertz Corporation (File No. 001-07541), as filed on April 1, 2022).
10.3	Hertz Holdings Hertz	Series 2022-5 Supplement, dated as of March 30, 2021, among Hertz Vehicle Financing III LLC, as issuer, The Hertz Corporation, as administrator, and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 10.3 to the Current Report of Hertz Global Holdings, Inc. (File No. 001-37665) and The Hertz Corporation (File No. 001-07541), as filed on April 1, 2022).
10.4	Hertz Holdings Hertz	Amendment No. 1 dated August 3, 2021 to Credit Agreement dated June 30, 2021, by and among THC and the subsidiary borrowers party thereto as borrowers, the several lenders and issuing lenders from time to time parties thereto, and Barclays Bank PLC, as administrative agent and collateral agent.*
10.5	Hertz Holdings Hertz	Amendment No. 2 dated November 23, 2021 to Credit Agreement dated June 30, 2021, by and among THC and the subsidiary borrowers party thereto as borrowers, the several lenders and issuing lenders from time to time parties thereto, and Barclays Bank PLC, as administrative agent and collateral agent.*
10.6	Hertz Holdings Hertz	Amendment No. 3 dated March 31, 2022 to Credit Agreement dated June 30, 2021, by and among THC and the subsidiary borrowers party thereto as borrowers, the several lenders and issuing lenders from time to time parties thereto, and Barclays Bank PLC, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.4 to the Current Report of Hertz Global Holdings, Inc. (File No. 001-37665) and The Hertz Corporation (File No. 001-07541), as filed on April 1, 2022).
10.7	Hertz Holdings Hertz	Employment Agreement, dated as of February 3, 2022, between Hertz Global Holdings, Inc., and Stephen M. Scherr.* †
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	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Hertz Holdings Hertz	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Hertz Holdings Hertz	Inline XBRL Taxonomy Extension Calculation Linkbase Document*

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

EXHIBIT INDEX (Continued)

Exhibit Number		Description
101.DEF	Hertz Holdings Hertz	Inline XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Hertz Holdings Hertz	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Hertz Holdings Hertz	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Hertz Holdings Hertz	Cover Page Interactive Data File (Embedded within the Inline XBRL document)

† Indicates management contract or compensatory plan or arrangement.
* Filed herewith
** Furnished herewith

Exhibit 10.4

EXECUTION VERSION

AMENDMENT NO. 1 TO CREDIT AGREEMENT

This Amendment No. 1 to Credit Agreement, dated as of August 3, 2021 (this "Amendment") to that certain Credit Agreement, dated as of June 30, 2021 (the "Credit Agreement"; capitalized terms used but not defined herein having the meanings set forth therein), among The Hertz Corporation, a Delaware corporation (the "Parent Borrower"), the Subsidiary Borrowers party thereto (together with the Parent Borrower, the "Borrowers"), the several Lenders and Issuing Lenders from time to time party thereto and Barclays Bank PLC, as Administrative Agent and Collateral Agent.

W i t n e s s e t h:

WHEREAS, the Borrowers, Holdings and the Administrative Agent are party to the Credit Agreement;

WHEREAS, the Parent Borrower has requested that the Administrative Agent agree to amend certain provisions of the Credit Agreement as set forth herein; and

WHEREAS, Section 11.1(d)(z) of the Credit Agreement authorizes the Administrative Agent and the Borrowers to amend the Credit Agreement without the consent of any Lender to cure any ambiguity, mistake, omission, defect or inconsistency;

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Section 1. AMENDMENTS TO THE CREDIT AGREEMENT

Subject to the satisfaction (or waiver) of the conditions set forth in Section 2 below, effective as of the First Amendment Effective Date, the Credit Agreement is hereby amended as follows:

1.1 Schedule B to the Credit Agreement is hereby amended and restated in its entirety to read as set forth on Exhibit A hereto.

Section 2. CONDITIONS PRECEDENT

This Amendment shall be effective (the "First Amendment Effective Date") on the date that the following conditions precedent having been satisfied or duly waived:

2.1 **Executed Agreement**. The Administrative Agent shall have received this Amendment, duly executed by each Borrower.

2.2 **Representations and Warranties**. Each of the representations and warranties contained in Section 3 below shall be true and correct.

Section 3. REPRESENTATIONS AND WARRANTIES

The Parent Borrower, on behalf of itself and each Loan Party, hereby represents and warrants to the Administrative Agent, Issuing Lenders and the Lenders as follows:

3.1 **Incorporation of Representations and Warranties from Loan Documents**. Each of the representations and warranties made by any Loan Party pursuant to the Credit Agreement or any other Loan Document (or in any amendment, modification or supplement thereto) to which it is a party, and each of the representations and warranties contained in any certificate furnished at any time by or on behalf of any Loan Party pursuant to the Credit Agreement or any other Loan Document, shall be true and correct in all material respects on the First Amendment Effective Date (except to the extent any such representation or warranty is stated to relate solely to an earlier date, it shall be true and correct in all material respects as of such earlier date).

3.2 **Absence of Default**. At the time of and immediately after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.

Section 4. MISCELLANEOUS

4.1 **Reference to and Effect on the Loan Documents**.

(a) As of the First Amendment Effective Date, each reference in the Credit Agreement to "*this Agreement*," "*hereunder*," "*hereof*," "*herein*," or words of like import, and each reference in the other Loan Documents to the Credit Agreement (including, without limitation, by means of words like "*thereunder*", "*thereof*", "*therein*" and words of like import), shall mean and be a reference to the Credit Agreement as amended by this Amendment.

(b) Except as expressly amended or waived, as applicable, hereby, all of the terms and provisions of the Credit Agreement and all other Loan Documents are and shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Administrative Agent, any Lender or any Issuing Lender under the Credit Agreement or any Loan Document, or constitute a waiver or amendment of any other provision of the Credit Agreement or any Loan Document (as amended hereby) except as and to the extent expressly set forth herein.

4.2 **Costs and Expenses**. The Borrowers agree to reimburse the Administrative Agent for its costs and expenses in connection with this Amendment (and the other Loan Documents delivered in connection herewith) as provided in Section 11.5 of the Credit Agreement.

4.3 **Counterparts**. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Amendment by facsimile transmission or electronic transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Amendment. The words "execution", "execute", "signed", "signature", and words of like import in or related to this Amendment or any document to be signed in connection with this Amendment shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by us, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

4.4 **Governing Law**. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ITS PRINCIPLES OR RULES OF CONFLICT OF LAWS TO THE EXTENT

SUCH PRINCIPLES OR RULES ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAWS OF ANOTHER JURSIDICTION.

4.5 **Loan Document and Integration**. This Amendment shall constitute a Loan Document, and together with the other Loan Documents represents the entire agreement of each of the Loan Parties party hereto and the Administrative Agent with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by any of the Loan Parties party hereto or the Administrative Agent relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

4.6 **Headings**. Section headings contained in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purposes.

4.7 **No Novation.** Each of the parties hereto acknowledges and agrees that the terms of this Amendment do not constitute a novation but, rather, an amendment of the terms of a pre-existing Indebtedness and related agreement, as evidenced by the Credit Agreement.

4.8 **Waiver of Jury Trial**. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AMENDMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers and members thereunto duly authorized, as of the date indicated above.

THE HERTZ CORPORATION,
as the Parent Borrower

By: /s/ R. Scott Massengill
Name: R. Scott Massengill
Title: SVP & Treasurer

BARCLAYS BANK PLC, as Administrative Agent

By: /s/ Craig Malloy
Name: Craig Malloy
Title: Director

[Signature Page to Hertz Amendment No. 1]

Exhibit A

(See attached.)

REVOLVING LETTERS OF CREDIT

Name (Limit Pty)	Revolving Issuing Lender	UEN	Counterparty	Instr. ID	Stated Expiry	Instr. Cur	Issued Amount
The Hertz Corporation	Bank of Montreal	35014378	The Bank of New York Mellon Trust	BMCH574372OS	25-Jun-21	USD	65,509,156
The Hertz Corporation	Barclays		San Diego Country Regional Airport	SB-03685	25-Jun-21	USD	4,324,195
The Hertz Corporation	Barclays		The City of Austin Dept of Aviation DBS Thrifty RAC	SB-03699	25-Jun-21	USD	139,761
The Hertz Corporation	Barclays		The City of Austin Dept of Aviation DBS Thrifty RAC	SB-03700	25-Jun-21	USD	134,758

Exhibit 10.5

Execution Version

AMENDMENT NO. 2 TO CREDIT AGREEMENT

This Amendment No. 2 to Credit Agreement, dated as of November 23, 2021 (this "Amendment") to that certain Credit Agreement, dated as of June 30, 2021 (as amended by that certain Amendment No. 1 to Credit Agreement, dated as of August 3, 2021, and as otherwise amended, restated, amended and restated or otherwise modified or supplemented from time to time, including on the Second Amendment Effective Date, the "Credit Agreement"; capitalized terms used but not defined herein having the meanings set forth therein), among The Hertz Corporation, a Delaware corporation (the "Parent Borrower"), the Subsidiary Borrowers party thereto (together with the Parent Borrower, the "Borrowers"), the several Lenders and Issuing Lenders from time to time party thereto and Barclays Bank PLC, as Administrative Agent and Collateral Agent.

W I T N E S S E T H:

WHEREAS, the Borrowers, Holdings and the Administrative Agent are party to the Credit Agreement;

WHEREAS, the Parent Borrower has requested that the Lenders consent to the amendments to the Credit Agreement as set forth herein; and

WHEREAS, the Lenders party hereto, which Lenders constitute the Required Lenders, agree to amend the Credit Agreement as set forth herein;

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. AMENDMENTS TO THE CREDIT AGREEMENT

Subject to the satisfaction (or waiver) of the conditions set forth in Section 2 below, effective as of the Second Amendment Effective Date (as defined below), the Credit Agreement is hereby amended to delete the stricken text (in the same manner as the following example: ~~**stricken text**~~) and to add the **double-underlined text** (indicated textually in the same manner as the following example: double- underlined text) as set forth in the changed pages of the Credit Agreement attached as Exhibit A hereto.

SECTION 2. CONDITIONS PRECEDENT

This Amendment shall be effective (the "Second Amendment Effective Date") on the date that the following conditions precedent having been satisfied or duly waived:

2.1 **Executed Agreement.** The Administrative Agent shall have received this Amendment, duly executed by each Borrower, the Administrative Agent and the Lenders constituting the Required Lenders.

2.2 **Representations and Warranties**. Each of the representations and warranties contained in Section 3 below shall be true and correct.

2.3 **Consent Fee**. The Parent Borrower shall have paid to the Administrative Agent, for the ratable account of each Lender party hereto, a fee (the "Consent Fee") in an amount equal to the product of (x) 0.10% multiplied by (y) the sum of such Lender's outstanding Commitments or Loans immediately prior to giving effect to this Amendment.

SECTION 3. REPRESENTATIONS AND WARRANTIES

The Parent Borrower, on behalf of itself and each Loan Party, hereby represents and warrants to the Administrative Agent, Issuing Lenders and the Lenders as follows:

3.1 Incorporation of Representations and Warranties from Loan Documents. Each of the representations and warranties made by any Loan Party pursuant to the Credit Agreement or any other Loan Document (or in any amendment, modification or supplement thereto) to which it is a party, and each of the representations and warranties contained in any certificate furnished at any time by or on behalf of any Loan Party pursuant to the Credit Agreement or any other Loan Document, shall be true and correct in all material respects on the Second Amendment Effective Date (except to the extent any such representation or warranty is stated to relate solely to an earlier date, it shall be true and correct in all material respects as of such earlier date).

3.2 Absence of Default. At the time of and immediately after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.

SECTION 4. MISCELLANEOUS

4.1 Reference to and Effect on the Loan Documents.

(a) As of the Second Amendment Effective Date, each reference in the Credit Agreement to "*this Agreement*," "*hereunder*," "*hereof*," "*herein*," or words of like import, and each reference in the other Loan Documents to the Credit Agreement (including, without limitation, by means of words like "*thereunder*", "*thereof*", "*therein*" and words of like import), shall mean and be a reference to the Credit Agreement as amended by this Amendment.

(b) Except as expressly amended or waived, as applicable, hereby, all of the terms and provisions of the Credit Agreement and all other Loan Documents are and shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Administrative Agent, any Lender or any Issuing Lender under the Credit Agreement or any Loan Document, or constitute a waiver or amendment of any other provision of the Credit Agreement or any Loan Document (as amended hereby) except as and to the extent expressly set forth herein.

4.2 Costs and Expenses. The Borrowers agree to reimburse the Administrative Agent for its costs and expenses in connection with this Amendment (and the other Loan Documents delivered in connection herewith) as provided in Section 11.5 of the Credit Agreement.

4.3 Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Amendment by facsimile transmission or electronic transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Amendment. The words "execution", "execute", "signed", "signature", and words of like import in or related to this Amendment or any document to be signed in connection with this Amendment shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by us, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

4.4 **Governing Law**. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ITS PRINCIPLES OR RULES OF CONFLICT OF LAWS TO THE EXTENT SUCH PRINCIPLES OR RULES ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAWS OF ANOTHER JURSIDICTION.

4.5 **Loan Document and Integration**. This Amendment shall constitute a Loan Document, and together with the other Loan Documents represents the entire agreement of each of the Loan Parties party hereto and the Administrative Agent with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by any of the Loan Parties party hereto or the Administrative Agent relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

4.6 **Headings**. Section headings contained in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purposes.

4.7 **No Novation.** Each of the parties hereto acknowledges and agrees that the terms of this Amendment do not constitute a novation but, rather, an amendment of the terms of a pre-existing Indebtedness and related agreement, as evidenced by the Credit Agreement.

4.8 **Waiver of Jury Trial**. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AMENDMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers and members thereunto duly authorized, as of the date indicated above.

THE HERTZ CORPORATION,
as the Parent Borrower

By: /s/ Mark E. Johnson
Mark E. Johnson
Vice President

BARCLAYS BANK PLC, as Administrative Agent and Lender

By: /s/ Craig Malloy
Name: Craig Malloy
Title: Director

DEUTSCHE BANK AG NEW YORK BRANCH, as a Lender

By: /s/ Ming K. Chu

Name: Ming K. Chu
Title: Director

By: /s/ Marko Lukin

Name: Marko Lukin
Title: Vice President

BNP PARIBAS, as a Lender

By: /s/ Kirk Hoffman
Name: Kirk Hoffman
Title: Managing Director

By: /s/ Monica Tilani
Name: Monica Tilani
Title: Director

RBC Capital Markets, as a Lender

By: /s/ Scott Umbs

Name: Scott Umbs
Title: Authorized Signatory

Citizens Bank, N.A., as a Lender

By: /s/ Angela Reilly
Name: Angela Reilly
Title: Senior Vice President

Bank of Montreal, as a Lender

By: /s/ Thomas Hasenauer
Name: Thomas Hasenauer
Title: Managing Director

Mizuho Bank, Ltd., as a Lender

By: /s/ Donna DeMagistris

Name: Donna DeMagistris
Title: Executive Director

JPMORGAN CHASE BANK, N.A., as a Lender

By: /s/ Robert P. Kellas
Name: Robert P. Kellas
Title: Executive Director

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as a Lender

By: /s/ Paul Arens
Name: Paul Arens
Title: Director

By: /s/ Gordon Yip
Name: Gordon Yip
Title: Director

NATIXIS, NEW YORK BRANCH, as a Lender

By: /s/ Michael J. Lardieri
Name: Michael J. Lardieri
Title: Director

By: /s/ Michael Bergin
Name: Michael Bergin
Title: Vice President

BANK OF AMERICA, N.A., as a Lender

By: /s/ Brian Lukehart

Name: Brian Lukehart
Title: Managing Director

Remaining Lender Signature Pages on file with the Administrative Agent.

Exhibit A

(See attached.)

(xxiii) ~~after the expiration of the Relief Period,~~ Investments in Unrestricted Subsidiaries in an aggregate amount not to exceed the greater of $160,000,000 and 25.0% of LTM Consolidated EBITDA; and

(xxiv) ~~after the expiration of the Relief Period,~~ Investments in joint ventures in an aggregate amount not to exceed the greater of $160,000,000 and 25.0% of LTM Consolidated EBITDA.

If any Investment pursuant to Section 8.5(b)(vii) is made in any Person that is not a Restricted Subsidiary and such Person thereafter (A) becomes a Restricted Subsidiary or (B) is merged or consolidated into, or transfers or conveys all or substantially all its assets to, or is liquidated into, the Parent Borrower or a Restricted Subsidiary, then such Investment shall thereafter be deemed to have been made pursuant to clause (i) or (ii) above, respectively, and not Section 8.5(b)(vii).

"Permitted Lien": any Lien permitted pursuant to the Loan Documents, including those permitted to exist pursuant to Section 8.2 or described in any of the clauses of such Section 8.2.

"Permitted Payment": as defined in Section 8.5(b).

"Person": an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": at a particular time, any employee benefit plan which is covered by ERISA and in respect of which the Parent Borrower or a Commonly Controlled Entity is an "employer" as defined in Section 3(5) of ERISA.

"Plan of Reorganization": as defined in the Recitals hereto.

"Plan Sponsors": collectively, (i) certain funds and accounts managed or advised by Knighthead Capital Management, LLC or one of its Controlled Investment Affiliates ("Knighthead") and certain funds and accounts managed or advised by Certares Opportunities LLC or one of its Controlled Investment Affiliates ("Certares"), and CK Amarillo LP, a Delaware limited partnership formed by Certares and Knighthead ("Amarillo LP" and, together with Knighthead and Certares, the "Common Equity Plan Sponsors"), and (ii) each of, and any fund, partnership, co-investment vehicles and/or similar vehicles or accounts, in each case managed, advised or controlled by Apollo Global Management, Inc. and any of their respective Affiliates, and any of their respective successors, but not including any portfolio operating companies (this clause (ii), collectively, "Apollo").

"Preferred Stock": as applied to the Capital Stock of any corporation or company, Capital Stock of any class or classes (however designated) that by its terms is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation or company, over shares of Capital Stock of any other class of such corporation or company.

"Relevant Parent Entity": (i) Holdings, so long as Holdings is not a Subsidiary of a Parent Entity and (ii) any Parent Entity, so long as Holdings is a Subsidiary thereof and such Parent Entity is not a Subsidiary of any other Parent Entity.

~~"Relief Period": the period commencing on the Closing Date and ending on the earlier of (1) the first day of the fiscal quarter of the Parent Borrower ended March 31, 2023 and (2) the date as of which LTM Consolidated EBITDA, as reflected in a Compliance Certificate, is not less than $650,000,000.~~

"Rental Car LKE Account": any deposit, trust, investment or similar account maintained by, for the benefit of, or under the control of, the "qualified intermediary" in connection with the Rental Car LKE Program.

"Rental Car LKE Program": a "like-kind-exchange program" with respect to certain of the Vehicles of the Parent Borrower and its Subsidiaries, under which such Vehicles will be disposed from time to time and proceeds of such dispositions will be held in a Rental Car LKE Account and used to acquire replacement Vehicles and/or repay indebtedness secured by such Vehicles, in a series of transactions intended to qualify as a "like-kind-exchange" within the meaning of the Code (or comparable term pursuant to a substantially similar program under the Code).

"Rental Car Vehicles": all Vehicles owned by or leased to the Parent Borrower or a Restricted Subsidiary that are or have been offered for lease or rental by any of the Parent Borrower and its Restricted Subsidiaries in their vehicle rental operations, including any such Vehicles being held for sale.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty (30) day notice period is waived under subsections .21, .22, .23, .24, .25, .27, .28 or .33 of PBGC Regulation Section 4043 or any successor regulation thereto.

"Repricing Transaction": (i) any prepayment or repayment of Initial Term B Loans or Initial Term C Loans by the Borrowers with the proceeds of, or any conversion of Initial B Term Loans or Initial Term C Loans, as applicable, into, any substantially concurrent issuance of new or replacement tranche of broadly syndicated senior secured first lien term loans under credit facilities the primary purpose of which is to reduce the all-in-yield applicable to the Initial Term B Loans or Initial Term C Loans and (ii) any amendment to this Agreement (including any assignment by a Term Loan Lender of its Initial B Term Loans or Initial Term C Loans pursuant pursuant to Section 11.1(g) as a result of such Term Loan Lender being a Non-Consenting Lender) the primary purpose of which is to reduce the all-in-yield applicable to the Initial Term B Loans or Initial Term C Loans (with the all-in-yield, in each case, calculated in a manner consistent with the MFN Adjustment and as reasonably determined by Administrative Agent in good faith in a manner consistent with generally accepted financial practices); provided that notwithstanding anything to the contrary, in no event shall any prepayment, repayment or amendment in connection with a transaction involving a Change of Control, a Qualified IPO, a material Sale or any Transformative Acquisition constitute a Repricing Transaction.

Event of Default, except, in each case, as specified in such certificate and (ii) ~~commencing with the delivery of the Compliance Certificate under this Section 7.2(a) for the first fiscal quarter ending after the expiration of the Relief Period,~~ a certification setting forth a reasonably detailed calculation of Consolidated First Lien Leverage Ratio for the Most Recent Four Quarter Period;

(b) within five Business Days after the same are filed, copies of all financial statements and periodic reports which Holdings or the Parent Borrower may file with the SEC or any successor or analogous Governmental Authority;

(c) within five Business Days after the same are filed, copies of all registration statements and any amendments and exhibits thereto, which Holdings or the Parent Borrower may file with the SEC or any successor or analogous Governmental Authority; and

(d) subject to the last sentence of Section 7.6, promptly, such additional financial and other information regarding the Loan Parties as the Administrative Agent may from time to time reasonably request.

~~(e) within 15 days after the end of each calendar month during the Relief Period, commencing with the first full calendar month after the Closing Date, a certificate signed by a Responsible Officer of the Parent Borrower demonstrating compliance with the Liquidity Covenant.~~

(e) [Reserved].

(f) concurrently with the delivery of each Compliance Certificate pursuant to Section 7.2(a), any change in the information provided in the Beneficial Ownership Certification provided to any Lender that would result in a change to the list of beneficial owners identified in such certification since the later of the date of such Beneficial Ownership Certification or the most recent list provided.

Notwithstanding anything to the contrary in this Section 7.2, none of the Parent Borrower or any of its Restricted Subsidiaries will be required to disclose or permit the inspection or discussion of, any document, information or other matter (i) that constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by Law or any binding agreement or (iii) that is subject to attorney client or similar privilege or constitutes attorney work product.

Documents required to be delivered pursuant to Section 7.1 or 7.2 may at the Parent Borrower's option be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which the Parent Borrower posts such documents, or provides a link thereto on the Parent Borrower's (or Holdings' or any Parent Entity's) website on the Internet at the website address listed on Schedule 7.2 (or such other website address as the Parent Borrower may specify by written notice to the Administrative Agent from time to time); or (ii) on which such documents are posted on the Parent Borrower's (or Holdings' or any Parent Entity's) behalf on an Internet or intranet website to which each Lender and the Administrative

8.5 Limitation on Restricted Payments. (a) The Parent Borrower shall not, and shall not permit any Restricted Subsidiary, to (i) declare or pay any dividend or make any distribution on or in respect of its Capital Stock (including any such payment in connection with any merger or consolidation to which the Parent Borrower is a party) except (x) dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) and (y) dividends or distributions payable to the Parent Borrower or any Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to other holders of its Capital Stock on no more than a pro rata basis, measured by value), (ii) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Parent Borrower held by Persons other than the Parent Borrower or a Restricted Subsidiary (other than any acquisition of Capital Stock deemed to occur upon the exercise of options if such Capital Stock represents a portion of the exercise price thereof), (iii) voluntarily purchase, repurchase, redeem, defease or otherwise voluntarily acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations (other than Subordinated Obligations owed to a Restricted Subsidiary and other than a purchase, repurchase, redemption, defeasance or other acquisition or retirement for value in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition or retirement), (iv) make any cash dividend or cash redemption payments to or in respect of the ~~any~~ Closing Date Preferred Stock (any such cash dividend or cash redemption payment described in this clause (iv), a "Preferred Stock Restricted Payment") or (v) make any Investment (other than a Permitted Investment) in any Person (any such dividend, distribution, purchase, repurchase, redemption, defeasance, other acquisition or retirement or Investment being herein referred to as a "Restricted Payment").

(b) The provisions of Section 8.5(a) will not prohibit any of the following (each, a "Permitted Payment"):

(i) (x) any purchase, redemption, repurchase, defeasance or other acquisition or retirement of Capital Stock of the Parent Borrower or any Parent ("Treasury Capital Stock") or Subordinated Obligations made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the issuance or sale of, Capital Stock of the Parent Borrower or any Parent (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary) ("Refunding Capital Stock") or a capital contribution to the Parent Borrower or any Parent and (y) if immediately prior to such acquisition or retirement of such Treasury Capital Stock, dividends thereon were permitted pursuant to clause (xii) of this Section 8.5(b), dividends on such Refunding Capital Stock in an aggregate amount per annum not exceeding the aggregate amount per annum of dividends so permitted on such Treasury Capital Stock;

(ii) any purchase, redemption, repurchase, defeasance or other acquisition or retirement of Subordinated Obligations (w) made by exchange for, or out of the proceeds of the Incurrence of, Indebtedness of the Parent Borrower or any Restricted Subsidiary or Refinancing Indebtedness Incurred in compliance with Section 8.1, (x) from Net Available Cash or any equivalent amount to the extent permitted by Section 8.4 or from declined amounts as contemplated by Section 4.4(b)(ii), (y) following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only if the Parent Borrower shall have made payment in full of all of the Loans and terminated the Revolving Commitments, or made a Change of Control Offer or (z) constituting Acquired Indebtedness;

(iii) any dividend paid or redemption made within 60 days after the date of declaration thereof or of the giving of notice thereof, as applicable, if at such date of declaration or notice, such dividend or redemption would have complied with this Section 8.5;

(iv) ~~from and after the second anniversary of the Closing Date,~~ Preferred Stock Restricted Payments ~~with the net cash proceeds of unsecured Indebtedness incurred~~ ; provided that at the time of such Preferred Stock Restricted Payment and after giving effect thereto on a *pro forma* basis (A) the Consolidated Total Net Corporate Leverage Ratio would be equal to or less than 4.00:1.00 as of the last day of the Most Recent Four Quarter Period ~~(as long as such Preferred Stock Restricted Payment is made substantially contemporaneously with the issuance of such Indebtedness)~~ and (B) no Event of Default under Section 9.1(a) or Section 9.1(f) shall have occurred and be continuing (or would result therefrom);

(v) loans, advances, dividends or distributions by the Parent Borrower to any Parent to permit any Parent to repurchase or otherwise acquire its Capital Stock (including any options, warrants or other rights in respect thereof), or payments by the Parent Borrower to repurchase or otherwise acquire Capital Stock of any Parent or the Parent Borrower (including any options, warrants or other rights in respect thereof), in each case from Management Investors (including any repurchase or acquisition by reason of the Parent Borrower or any Parent retaining any Capital Stock, option, warrant or other right in respect of tax withholding obligations, and any related payment in respect of any such obligation), such payments, loans, advances, dividends or distributions not to exceed an amount (net of repayments of any such loans or advances and net of any amount thereof repurchased or otherwise acquired due to death, termination, retirement, or disability or stockholder incentive plan) equal to (x) the greater of $65,000,000 and 10.0% of LTM Consolidated EBITDA per fiscal year (with any unused amounts being permitted to be carried forward to succeeding fiscal years), plus (y) the Net Proceeds received by the Parent Borrower since the Closing Date from, or as a capital contribution from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), plus (z) the cash proceeds of key man life insurance policies received by the Parent Borrower or any Restricted Subsidiary (or by any Parent and contributed to the Parent Borrower) since the Closing Date;

(vi) Restricted Payments following a Qualified IPO in an amount not to exceed in any fiscal year of the Parent Borrower the sum of (x) 7.0% of the aggregate gross proceeds received by the Parent Borrower (whether directly, or indirectly through a contribution to common equity capital) in or from such Qualified IPO and (y) 7.0% of Market Capitalization;

(vii) Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed an amount (net of repayments of any such loans or advances) equal to the sum of (x) the greater of $500,000,000 and 80.0% of LTM Consolidated EBITDA plus (y) 50% of the Consolidated Net Income (which shall not be less than zero) accrued during the period (treated as one accounting period) beginning on July 1, 2021, to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which consolidated financial statements of the Parent Borrower are available; provided that ~~this clause (y) shall not be available for a Restricted Payment that is (i) a dividend or distribution on or in respect of, or a purchase, redemption, retirement or other acquisition for value of, Capital Stock of the Parent Borrower or (ii) an Investment in an Unrestricted Subsidiary, in each case prior to the expiration of the Relief Period; provided, further, that~~ (A) any Restricted Payments of the type described in Section 8.5(a)(i) and Section 8.5(a)(iii) shall only be permitted under this subsection (vii) if after giving effect thereto on a *pro forma* basis, no Event of Default under Section 9.1(a) or Section 9.1(f) shall have occurred and be continuing (or would result therefrom) and (B) ~~from and after the second anniversary of the Closing Date,~~ Preferred Stock Restricted Payments shall be permitted under clause (y) of this subsection (vii) so long as after giving effect thereto on a *pro forma* basis, no Event of Default under Section 9.1(a) or Section 9.1(f) shall have occurred and be continuing (or would result therefrom);

(viii) [Reserved];

(ix) payments by the Parent Borrower, or loans, advances, dividends or distributions by the Parent Borrower to any Parent to make payments, to holders of Capital Stock of the Parent Borrower or any Parent in lieu of issuance of fractional shares of such Capital Stock;

(x) dividends or other distributions of, or other Restricted Payments or Investments paid for or made with, Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;

(xi) Restricted Payments in respect of seller notes and other deferred purchase price obligations in an aggregate amount not to exceed the greater of $317,500,000 and 50.0% of LTM Consolidated EBITDA;

(xii) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of Section 8.1;

(xiii) (A) ~~after the expiration of the Relief Period,~~ dividends on any Designated Preferred Stock of the Parent Borrower issued after the Closing Date; provided that at the time of such issuance and after giving effect thereto on a pro forma basis, (x) no Event of Default under Section 9.1(a) or Section 9.1(f) shall have occurred and be continuing (or would result therefrom) and (y) the Consolidated Total Net Corporate Leverage Ratio would be equal to or less than 3.00:1.00 for the Most Recent Four Quarter Period, (B) loans, advances, dividends or distributions to any Parent to permit dividends on any Designated Preferred Stock of any Parent issued after the Closing Date if the net proceeds of the issuance of such Designated Preferred Stock have been contributed to the Parent Borrower or any of its Restricted Subsidiaries; provided that the aggregate amount of all loans, advances, dividends or distributions paid pursuant to this clause (B) shall not exceed the net proceeds of such issuance of Designated Preferred Stock received by or contributed to the Parent Borrower or any of its Restricted Subsidiaries or (C) any dividend on Refunding Capital Stock that is Preferred Stock; provided that at the time of the declaration of such dividend and after giving effect thereto on a pro forma basis, the Parent Borrower shall be in compliance with the financial covenant set forth in Section 8.9 as of the end of the Most Recent Four Quarter Period for which financial statements have been delivered pursuant to Section 7.1;

(xiv) ~~after the expiration of the Relief Period,~~ (A) any Restricted Payment that is (x) a dividend or distribution on or in respect of, or a purchase, redemption, retirement or other acquisition for value of, Capital Stock of the Parent Borrower or (y) a voluntary purchase, repurchase, redemption, defeasance or other voluntary acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Obligations, provided that at the time of such Restricted Payment and after giving effect thereto on a *pro forma* basis, (1) no Event of Default under Section 9.1(a) or Section 9.1(f) shall have occurred and be continuing (or would result therefrom) and (2) the Consolidated Total Net Corporate Leverage Ratio would be equal to or less than 4.00:1.00 for the Most Recent Four Quarter Period, and (B) any Restricted Payment that is an Investment, provided that at the time of such Restricted Payment and after giving effect thereto on a *pro forma* basis, (1) no Event of Default under Section 9.1(a) or Section 9.1(f) shall have occurred and be continuing (or would result therefrom) and (2) the Consolidated Total Net Corporate Leverage Ratio would be equal to or less than 4.50:1.00 for the Most Recent Four Quarter Period;

(xv) ~~after the expiration of the Relief Period, and~~ provided no Event of Default under Section 9.1(a) or Section 9.1(f) shall have occurred and be continuing (or would result therefrom), Restricted Payments in an aggregate amount outstanding at any time not to exceed an amount equal to Excess Proceeds; and

(xvi) ~~after the expiration of the Relief Period,~~ Restricted Payments in an aggregate amount not to exceed the greater of $225,000,000 and 35.0% of LTM

8.9 Financial Covenants.

~~(a) Commencing with the last day of the first full calendar month following the Closing Date until the expiration of the Relief Period, the Parent Borrower and its Restricted Subsidiaries shall maintain minimum Liquidity of at least (i) $500,000,000 on the last day of each calendar month falling within each fiscal quarter ending on March 31 or December 31 and (ii) $400,000,000 on the last day of each calendar month falling within each fiscal quarter ending on June 30 or September 30 (the "Liquidity Covenant").~~

(a) [Reserved].

(b) Commencing with the ~~first~~ fiscal ~~quarter following the expiration of the Relief Period~~ ending December 31, 2021, the Parent Borrower and its Restricted Subsidiaries shall not permit the Consolidated First Lien Leverage Ratio as at the last day of the Most Recent Four Quarter Period ending during any period set forth below to exceed the ratio set forth below opposite such period below (the "Financial Maintenance Covenant"):

Fiscal Quarter Ending	Consolidated First Lien Leverage Ratio
March 31 or December 31 of any fiscal year	3.00:1.00
June 30 or September 30 of any fiscal year	3.50:1.00

8.10 Limitation on Corporate Indebtedness.

(a) The Parent Borrower will not, and will not permit any Restricted Subsidiary to, Incur any Corporate Indebtedness; provided, however, that the Parent Borrower or any Restricted Subsidiary may Incur Corporate Indebtedness if on the date of the Incurrence of such Corporate Indebtedness, after giving effect to the Incurrence thereof, (x) in the case of Corporate Indebtedness secured by Liens on the Collateral that rank *pari passu* with the Collateral securing the Initial Term Loan Facilities and the Initial Revolving Facility, the Parent Borrower and its Restricted Subsidiaries shall be in *pro forma* compliance with the Pari Secured Ratio Incurrence Test; (y) in the case of Corporate Indebtedness secured by Liens on the Collateral that rank junior to the Collateral securing the Initial Term Loan Facilities and the Initial Revolving Facility, the Parent Borrower and its Restricted Subsidiaries shall be in *pro forma* compliance with the Junior Secured Ratio Incurrence Test and (z) in the case of unsecured Corporate Indebtedness or Corporate Indebtedness secured by Liens on the assets of the Parent Borrower or its Restricted Subsidiaries which are not Collateral, the Parent Borrower and its Restricted Subsidiaries shall be in *pro forma* compliance with (i) a Consolidated Total Net Corporate Leverage Ratio that is equal to or less than 5.25:1.00 or if Incurred to finance a Permitted Acquisition or Permitted Investment, the Consolidated Total Net Corporate Leverage Ratio immediately prior to such transaction or (ii) an Interest Coverage Ratio greater than or equal to 2.00:1.00 or if Incurred to finance a Permitted Acquisition or Permitted Investment, the Interest Coverage Ratio immediately prior to such transaction;

THE SYMBOL "[*]" DENOTES PLACES WHERE CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

Execution Version

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement"), dated as of February 3, 2022 (the "Effective Date"), is between Hertz Global Holdings, Inc., a Delaware corporation (the "Company"), and Stephen M. Scherr ("Executive").

W I T N E S E T H:

WHEREAS, the Company desires to employ Executive as Chief Executive Officer of the Company and The Hertz Corporation ("Hertz") and Executive desires to be employed by the Company and Hertz as Chief Executive Officer, on the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing, the premises and mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Company and Executive agree as follows:

1. **Agreement to Employ; Employment Period; No Conflict**.

(a) Upon the terms and subject to the conditions of this Agreement, the Company agrees to employ Executive, and Executive accepts such employment, for the period commencing on Executive's date of commencement of employment (the "Start Date") and ending on December 31, 2026 (or such earlier date upon which Executive's employment is terminated in accordance with Section 5). The period during which Executive is employed pursuant to this Agreement shall be referred to as the "Employment Period." Commencing January 1, 2027 and each anniversary thereof, the term of this Agreement will automatically extend by 12 months unless either party provides written notice of non-renewal (a "Non-Renewal Notice") to the other party at least 60 days before the date this Agreement would otherwise expire. Executive's Start Date must be on or before March 1, 2022 or this Agreement will be terminated and with no ongoing liability or responsibility between the parties.

(b) Executive represents that he is entering into this Agreement voluntarily and that he is not subject to any contractual restriction that would prevent him from functioning as Chief Executive Officer of the Company and Hertz as of the Start Date, or limit his ability to do so at any time during the Employment Period (the "Executive Representation").

(c) The Company represents that it has full authority and has obtained all necessary approvals to enter into this Agreement.

2. **Position and Responsibilities; Location; Standard of Services**.

(a) Position and Responsibilities. During the Employment Period, Executive shall serve as Chief Executive Officer of the Company and Hertz, with such duties and responsibilities as are customarily assigned to individuals serving in such position. During the Employment Period, the Company will nominate Executive to serve as a member of the Company's Board of Directors (the "Board"). Executive shall report solely and directly to the Board.

(b) Location. During the Employment Period, Executive's principal place of employment shall be the Company's headquarters, subject to business travel as required to fulfill his duties under Section 2(a). In addition, the Company shall maintain an office for Executive in Manhattan, New York City.

(c) Standard of Services. During the Employment Period, Executive shall devote substantially all of his skill, knowledge and working time to the conscientious performance of his duties and responsibilities hereunder, except for (i) vacation time and absence for sickness or similar disability in accordance with the Company's policies, and (ii) to the extent that it does not materially interfere with the performance of Executive's duties hereunder and Executive complies with all codes of conduct of the Company and its affiliates, (A) such reasonable time as may be devoted to the fulfillment of civic and charitable responsibilities, (B) as approved in advance by the Board (such consent not to be unreasonably withheld), service on for profit boards of directors, and (C) such reasonable time as may be necessary from time to time for personal financial matters. For the avoidance of doubt, Executive shall be permitted to remain on or join the board of directors of the companies listed on Exhibit A.

3. **Compensation and Incentives**.

(a) Base Salary. As compensation for the services performed by Executive hereunder, during the Employment Period Executive shall be paid an annual base salary of $1,500,000 (the "Base Salary"), payable in accordance with the Company's normal payroll practices applicable to senior executives.

(b) Annual Incentive Bonus. During the Employment Period, Executive shall participate in the Company's annual bonus plan as in effect from time to time for the Company's senior executives (the "Executive Incentive Plan") with a target annual incentive bonus of 160% of his Base Salary (the "Target Annual Bonus"). Executive's actual bonus for a particular performance year will be determined in accordance with the terms of the Company's annual bonus plan, taking into account performance results versus the applicable targets established by the Board or the compensation committee thereof (the Board or such committee, the "Committee") under the Company's annual bonus plan with input from Executive and other performance factors considered by the Committee (with such actual bonus payment on a basis consistent with annual incentive bonuses granted to other existing senior executives of the Company).

(c) Equity Incentives. Promptly after the Start Date, the Company will grant to Executive equity awards consistent with the terms of Exhibit B (the "Equity Awards"). Such Equity Awards shall be subject to the terms and conditions of the Company's 2021 Omnibus Incentive Plan (the "Equity Plan") and the forms of award agreements (as modified to reflect Exhibit B to the extent necessary).

4. **Benefits; Perquisites, Etc**.

(a) Benefits. During the Employment Period, the Company will provide Executive with all employee and senior executive benefits, including life, medical, dental and disability insurance in accordance with the programs of the Company then available to its senior executives, as the same may be amended and in effect from time to time. During the Employment Period, subject to generally applicable eligibility requirements, Executive also shall be entitled to participate in all of the Company's tax-qualified and nonqualified profit sharing, retirement, deferred compensation and savings plans then available to its senior executives, as the same may be amended and in effect from time to time, at levels and having interests commensurate with Executive's then current period of service, compensation and position. Notwithstanding the foregoing, except as provided under the Equity Awards or the Vehicle Benefit (as defined below), upon any termination of employment, Executive shall only be entitled to severance payments and benefits in accordance with Section 5 herein.

(b) Perquisites. During the Employment Period, Executive shall be entitled to (i) participate in all perquisite programs generally available from time to time to senior executives of the Company on the terms and conditions then prevailing under such programs and (ii) an annual physical at the Company's expense. Subject to Executive's continued employment through the Employment Period or the termination of Executive's employment without Cause or his resignation for Good Reason, Executive and Executive's spouse will be entitled to free car rental privileges during Executive's life and, in the event Executive's spouse survives Executive, during the life of such surviving spouse (the "Vehicle Benefit").

(c) Business Expenses. The Company shall reimburse Executive for reasonable travel (including use for business purposes in accordance with Company policy of private aircraft available to the Company and business or first class airfare if a private aircraft is unavailable), lodging and meal expenses incurred by him in connection with his performance of services hereunder upon submission of information required to be provided under the Company's policy for reimbursement of business expenses. The Company agrees to make available private aircraft available to Executive for travel between the Company's headquarters in Florida and Executive's residence in New York, and agrees to reimburse Executive for temporary housing in Florida for a period of up to six months following the Start Date. The Company shall pay Executive's reasonable costs of legal counsel incurred in connection with the negotiation and preparation of this Agreement and documents ancillary thereto at his counsel's ordinary billable rates (plus expenses), up to a maximum amount of $30,000.

(d) Vacation. Executive shall be entitled to four weeks' paid vacation annually.

5. **Termination of Employment**.

(a) Good Leaver Termination. Executive's employment with the Company shall terminate upon his death, and the Company may terminate Executive's employment as a result of Executive's "Disability" or without Cause. In addition, Executive may terminate his employment for Good Reason. For purposes of this Agreement, a termination of employment as a result of any of the foregoing circumstances shall be referred to as a "Good Leaver Termination." In the event of a Good Leaver Termination, Executive shall only be entitled to the payments and benefits provided for in Section 5(e)(i) and, if the Good Leaver Termination is by the Company without Cause or by Executive for Good Reason, Section 5(e)(ii) or Section 5(j), as applicable.

(b) Termination by the Company for Cause. The Company may terminate Executive's employment for Cause. In the event of such a termination of employment, Executive shall only be entitled to the payments and benefits provided for in Section 5(e)(i).

(c) Termination by Executive Without Good Reason. Executive may terminate his employment without Good Reason. In the event of a termination by Executive of his employment without Good Reason, Executive shall only be entitled to the payments and benefits provided for in Section 5(e)(i).

(d) Definitions. For purposes of this Agreement the terms "Cause", "Disability" and "Good Reason" shall have the meaning set forth below. The definitions below of such terms shall also apply to any other plan, agreement or arrangement between Executive and the Company or any of its affiliates, unless otherwise expressly indicated.

(i) "Cause" means Executive's (A) failure to perform Executive's material duties with the Company (other than any such failure resulting from Executive's incapacity as a result of physical or mental illness) after a written demand for performance from the Board specifying the manner in which Executive has not performed such duties is delivered to Executive by the Board, (B) engaging in serious misconduct that is injurious to the Company or any of its subsidiaries, (C) one or more acts of fraud or personal dishonesty resulting in or intended to result in personal enrichment at the expense of the Company or any of its subsidiaries, (D) abusive use of alcohol, drugs or similar substances that, in the reasonable judgment of the Board, materially impairs Executive's job performance, (E) material violation of any Company policy that results in material harm to the Company or any of its subsidiaries or (F) indictment for or conviction of (or plea of guilty or nolo contendere) to a felony or of any crime (whether or not a felony) involving moral turpitude. If a circumstance constituting "Cause" is curable, Executive shall be provided written notice of the circumstance and 30 days from the date of such notice to cure it. Executive shall not be provided more than one opportunity to cure with respect to the same or similar circumstances. Any determination that Executive's employment will be terminated for Cause shall be made by the Board following notice to Executive and an opportunity for Executive and his counsel to be heard by the Board. A termination of employment for "Cause" shall include a determination following Executive's termination of employment for any reason that the circumstances existed prior to such termination for the Company to have terminated Executive's employment for Cause.

(ii) "Disability" means a physical or mental disability or infirmity that prevents or is reasonably expected to prevent Executive's performance of his employment-related duties for a period of six months or longer and, within 90 days after the Company notifies Executive in writing that it intends to terminate his employment, Executive shall not have returned to the performance of his employment-related duties on a full-time basis; *provided* that, with respect to any compensation that constitutes deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended (or any successor thereto) (the "Code"), "Disability" shall have the meaning set forth in Section 409A(a)(2)(c) of the Code. The Board's reasoned and good faith judgment of Disability shall be final, binding and conclusive, and shall be based on such competent medical evidence as shall be presented to it by Executive and/or by any physician or group of physicians or other competent medical expert employed by Executive or by the Company to advise the Board.

(iii) "Good Reason" means, without Executive's prior written consent, (A) reduction by the Company of Executive's Base Salary or Target Annual Bonus, (B) failure of Executive to be nominated by the Company or elected or reelected as a member of the Board, (C) a material diminution in Executive's title, duties or responsibilities or the assignment to him of any duties or responsibilities inconsistent with Executive's position and status as Chief Executive Officer, (D) a change in Executive's reporting relationship such that he no longer reports solely and directly to the Board, (E) failure of the Company to obtain a satisfactory written agreement from any successor to all or substantially all of the assets or business of the Company to assume and agree to perform this Agreement within 15 days after a merger, consolidation, sale or similar transaction, or (F) a material breach of this Agreement. Good Reason will exist only if (i) Executive delivers written notice to the Board of the existence of an action that could constitute Good Reason within 30 days of Executive's knowledge of such action, (ii) the Company fails to cure such action within 30 days of such notice, and (iii) if the Company fails to cure such action, Executive terminates his employment within 30 days after the end of the Company's cure period.

(e) Entitlements Upon Terminations.

(i) All Terminations. Following any termination of Executive's employment hereunder (by Executive or by the Company), the Company shall pay Executive (A) his full Base Salary through the Date of Termination only, and (B) unused and unpaid annual vacation which has accrued and is payable in accordance with Company policy generally (the benefits described in clauses (A) and (B), the "Accrued Obligations"). Executive shall also retain all of his rights to benefits provided for under the terms of the employee and executive benefit plans of the Company in which Executive is a participant in accordance with and subject to the terms of such plans as in effect from time to time, including the Equity Plan, the Equity Awards and the Vehicle Benefit. This Agreement (including the Exhibits hereto, the Equity Awards and the Vehicle Benefit) shall supersede any other severance agreements, arrangements, policies, plans, communications, or understandings (written or unwritten) between Executive and the Company, and Executive shall only be entitled to the payments and benefits provided herein.

(ii) Termination by the Company without Cause or by Executive with Good Reason. In the event of a Good Leaver Termination due to the Company's termination of Executive's employment without Cause (which, for the avoidance of doubt, includes the Company's nonrenewal of the Employment Period) or a resignation by Executive with Good Reason (a "Qualifying Termination"), subject to entering into a release of claims substantially in the form attached as Exhibit C hereto (the "Severance Release"), such Severance Release becoming irrevocable within 30 days (or such longer period as may be required under applicable law in order for all aspects of the Severance Release to be effective) following the Date of Termination (such 30th day (or, if required by law, later final date), the "Severance Release Deadline") and Executive's compliance with Executive's obligations hereunder (including Sections 5(h) and 7), the Severance Release and the 2021 Hertz Global Holdings, Inc. Severance Plan for Senior Executives as in effect on the date hereof (the "Severance Plan", but excluding Article V thereof, which is superseded by this Agreement), in addition to the Accrued Obligations, the Company shall provide or pay to Executive compensation and benefits as provided in Section 4.02 of the Severance Plan as in effect on the date hereof.

(f) Date of Termination. As used in this Agreement, the term "Date of Termination" means (i) if Executive's employment is terminated by his death, the date of his death, (ii) if Executive's employment is terminated by the Company for Cause, the date specified in the Notice of Termination, (iii) if Executive terminates his employment without Good Reason, the date specified in the Notice of Termination (which shall be no less than 45 days following the date of delivery of such Notice of Termination, or such earlier date as the Company may choose at any time after receipt of such Notice of Termination), and (iv) if Executive's employment is terminated by the Company without Cause, as a result of Executive's Disability, or by Executive with Good Reason, the date specified in the Notice of Termination.

(g) Notice of Termination. Any termination of employment pursuant to Section 5(a), 5(b), or 5(c) shall be communicated by a written "Notice of Termination" addressed to the other party or parties to this Agreement. A "Notice of Termination" shall mean a notice stating that Executive's employment hereunder has been or shall be terminated and indicating the specific termination provisions in this Agreement relied upon and, in the case of a termination for Cause or by Executive with Good Reason, setting forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination of employment. In the event of a Notice of Termination delivered by the Company pursuant to Section 5(b) or by Executive pursuant to Section 5(a), if the recipient of the Notice of Termination cures the circumstances giving rise to such notice within the applicable time periods provided for in Section 5(d), the party delivering such notice may rescind the Notice of Termination and, in the absence of such rescission, such notice shall be deemed a Notice of Termination by the Company without Cause or by Executive without Good Reason, as the case may be. No Notice of Termination shall be required upon the expiration of this Agreement due to a Notice of Non-Renewal or due to Executive's death.

(h) Resignation from Board Memberships. Upon the termination of Executive's employment for any reason (unless otherwise agreed in writing by the Company and Executive), Executive shall be deemed to have resigned, without any further action by Executive, from any and all officer and director positions that Executive, immediately prior to such termination, (i) held with the Company or any of its affiliates, or (ii) held with any other entities at the direction of the Company or any of its affiliates. If for any reason this Section 5(h) is deemed to be insufficient to effectuate such resignations, then Executive shall, upon the Company's request (and as a condition to receiving severance benefits contemplated by this Agreement), execute any documents or instruments that the Company may deem reasonably necessary or desirable to effectuate such resignations. In addition, Executive hereby designates the Secretary or any Assistant Secretary of the Company and of any of its affiliates to execute any such documents or instruments as Executive's attorney-in-fact to effectuate such resignations if execution by the Secretary or any Assistant Secretary of the Company and of any of its affiliates is deemed by the Company or its applicable affiliates to be a more expedient means to effectuate such resignation or resignations.

(i) No Obligation to Mitigate Damages; No Offset. Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise. No amounts paid to or earned by Executive following his termination of employment with the Company shall reduce or be set off against any amounts payable to Executive under this Agreement.

(j) Qualifying Termination in Connection with a Change in Control. In the event of a Qualifying Termination during the period beginning six (6) months prior to a Change in Control (as defined in the Equity Plan or any successor plan) and ending 24 months following a Change in Control (the "CIC Period"), then in lieu of the amount provided in Section 4.02(b) of the Severance Plan, Executive shall be entitled to receive a cash payment equal to two (2) times the sum of Executive's Base Salary and Target Annual Bonus, payable in a lump sum as soon as administratively practicable following the Severance Release Deadline, but in any event by March 15 of the year following the Date of Termination.

6. **Restrictive Covenants**.

(a) Unauthorized Disclosure. During and following termination of his employment with the Company for any reason, except to the extent required by an order of a court having apparent jurisdiction or under subpoena from an appropriate government agency, in which event, Executive shall use his best efforts, to the extent legally permitted, to consult with the Board prior to responding to any such order or subpoena, and except in connection with the performance of his duties hereunder, or to the extent reasonably necessary in connection with any litigation between Executive and the Company or any of its subsidiaries or affiliates, Executive shall not, without the written consent of the Board or a person authorized thereby, disclose to any person (other than an executive or director of the Company or any of its subsidiaries or affiliates, or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by Executive of his duties as an executive of the Company) any confidential or proprietary information, knowledge or data that is not theretofore publicly known and in the public domain obtained by him while in the employ of the Company with respect to the Company or any of its subsidiaries or affiliates or with respect to any products, improvements, customers, methods of distribution, sales, prices, profits, costs, contracts, suppliers, business prospects, business methods, techniques, research, trade secrets or know-how of the Company or any of its subsidiaries or affiliates (collectively, "Proprietary Information"), except for (i) publicly available information (provided such information became publicly available other than as a result of a breach of this confidentiality clause), or (ii) disclosure to Executive's legal counsel to the extent such legal counsel needs to know the information to protect Executive's legal rights, *provided* that such counsel shall maintain the confidentiality of such information and shall be bound by this Section to the same extent as Executive.

(b) Non-Competition. During the period of Executive's employment with the Company or any of its subsidiaries or affiliates and thereafter through the second anniversary of Executive's Date of Termination (the "Restriction Period"). Executive shall not engage directly or indirectly in, become employed by, serve as an agent or consultant to, or become a partner, principal or stockholder of any partnership, corporation or other entity which competes directly with the car or equipment rental business of the Company or any of its subsidiaries in any county within the United States or any comparable geographical area outside the United States in which the Company or any of its subsidiaries is then engaged in such business; *provided* that Executive's passive ownership of less than 1% of the outstanding voting shares of any publicly held company or less than 1% of the interests of any non-publicly held entity through a passive investment in any hedge fund, private equity fund or mutual fund or similar investment vehicle which otherwise would be prohibited under this Section 6(b) shall not constitute competition with the Company.

(c) Non-Solicitation of Employees. During the Restriction Period, Executive shall not, directly or indirectly, for his own account or for the account of any other person or entity with which he is or becomes associated in any capacity, (i) hire or solicit for employment or otherwise interfere with the relationship of the Company or any of its subsidiaries or affiliates with any person who at any time within the six months preceding such solicitation, employment or interference is or was employed by or otherwise so engaged to perform services for the Company or any of its subsidiaries or affiliates, other than any such solicitation or employment on behalf of or for the benefit of the Company during Executive's employment with the Company, or (ii) induce any employee of the Company or any of its subsidiaries or affiliates to engage in any activity which Executive is prohibited from engaging in under this Section 6 or to terminate such employee's employment with the Company; *provided, however*, that these restrictions shall not apply to Executive's personal assistant, and Executive shall not violate this Section 6(c) (i) solely by placing a general advertisement for employees that is not targeted at employees of the Company or its subsidiaries or affiliates or (ii) by providing a reference for any such employee.

(d) Non-Solicitation of Clients. During the period of Executive's employment and thereafter during the Restriction Period, Executive shall not, directly or indirectly, solicit or otherwise attempt to establish for himself or any other person, firm or entity any business relationship, respecting any business that is one of the businesses conducted by the Company as of his date of termination of employment with the Company or that the Company, as of such date, is actively preparing to begin conducting, with any person, firm or entity which, at any time during the 12-month period preceding the date of Executive's termination of employment, was a significant customer, client or distributor of the Company (in each case, excluding any retail customer or client) or any of its subsidiaries, except during Executive's employment with and on behalf of the Company.

(e) Return of Documents and Company Property. In the event of the termination of Executive's employment for any reason, Executive shall promptly deliver to the Company all non-personal documents and data of any nature and in whatever medium pertaining to Executive's employment with the Company, or any of its subsidiaries or affiliates, or any other property of the Company or any of its subsidiaries or affiliates and he shall not take with him any such property, documents or data of any description or any reproduction thereof, or any documents containing or pertaining to any Proprietary Information. Notwithstanding the foregoing, Executive may make and retain an electronic copy of his contacts list and calendar and any personal emails or information needed for tax filing purposes.

(f) Mutual Nondisparagement. During the Employment Period and thereafter, Executive shall not, directly or indirectly, in his capacity or through any other person or entity, make negative comments about or otherwise disparage the Company, its affiliates, or any of their respective officers, directors, employees, shareholders, members, agents or products to any third party. The Company shall instruct its officers and the members of the Board not to, directly or indirectly, in their own capacities or through any other person or entity, make negative comments about or otherwise disparage Executive to any third party during the Employment Term and thereafter. Nothing contained in this Section 6(f) shall preclude any person from exercising protected legal rights to the extent that such rights have not been waived by agreement or from providing truthful statements in response to any governmental agency, rulemaking authority, subpoena power, legal process, required governmental testimony or filings, or judicial, administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

(g) Enforcement of Covenants.

(i) Injunctive Relief. Executive acknowledges and agrees that the covenants, obligations and agreements of Executive contained in this Section 6 relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants, obligations or agreements may cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, Executive agrees that the Company shall be entitled to seek an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Executive from committing any violation of the covenants, obligations or agreements referred to in this Section 6. These injunctive remedies are cumulative and in addition to any other rights and remedies the Company may have. The Company and Executive irrevocably submit to the exclusive jurisdiction of the State courts of the city of the Company's headquarters and the Federal courts of the United States of America, in each case located in (or located nearest to) the city of the Company's headquarters, in respect of the injunctive remedies set forth in this Section 6 and the interpretation and enforcement of this Section 6 solely insofar as such interpretation and enforcement relate to an application for injunctive relief in accordance with the provisions of this Section 6, and the parties hereto irrevocably agree that (A) the sole and exclusive appropriate venue for any suit or proceeding relating solely to such injunctive relief shall be in such a court, (B) all claims with respect to any application solely for such injunctive relief shall be heard and determined exclusively in such a court, (C) any such court shall have exclusive jurisdiction over the person of such parties and over the subject matter of any dispute relating to an application solely for such injunctive relief, and (D) each party waives any and all objections and defenses based on forum, venue or personal or subject matter jurisdiction as they may relate to an application solely for such injunctive relief in a suit or proceeding brought before such a court in accordance with the provisions of this Section 6.

(ii) Forfeiture of Payments. Executive agrees that receipt of the severance entitlements under Section 5 is conditioned upon Executive's observance of this Section 6. Executive further agrees that in the event of his failure to observe the provisions of this Section 6 (excluding immaterial breaches that are promptly cured by Executive), (A) the Company shall be entitled to discontinue providing the severance entitlements under Section 5, and (B) the Company shall be entitled to recover from Executive any severance entitlements provided to Executive under Section 5. The foregoing shall be in addition to any other remedies or rights the Company may have at law or at equity as a result of Executive's failure to observe such provisions, *provided* that any value not paid or recouped shall offset the amount of any damages owed by Executive to the Company.

(iii) Certain Acknowledgments. Executive acknowledges and agrees that (A) Executive will have a prominent role in the management of the business, and the development of the goodwill, of the Company and its subsidiaries and will establish and develop relations and contacts with the principal customers and suppliers of the Company and its subsidiaries in the United States of America and the rest of the world, all of which constitute valuable goodwill of, and could be used by Executive to compete unfairly with, the Company and its subsidiaries, (B) in the course of his employment with the Company, Executive will obtain confidential and proprietary information and trade secrets concerning the business and operations of the Company and its subsidiaries and affiliates in the United States of America and the rest of the world that could be used to compete unfairly with the Company and its subsidiaries, (C) the covenants and restrictions contained in this Agreement are intended to protect the legitimate interests of the Company and its affiliates in their respective goodwill, trade secrets and other confidential and proprietary information, (D) Executive desires to be bound by such covenants and restrictions, (E) such covenants are a material inducement for the Company to offer employment to Executive and enter into this Agreement, and (F) his economic means and circumstances are such that the provisions of this Agreement, including the restrictive covenants in this Agreement, will not prevent him from providing for himself and his family on a basis satisfactory to him and them.

7. **Indemnification; Cooperation; Compensation Recovery**.

(a) Indemnification. The Company and Executive shall enter into the Indemnification Agreement attached hereto as Exhibit D on the Start Date.

(b) Cooperation. In consideration of the payments and benefits set forth in this Agreement, Executive agrees, during the period of his employment with the Company or any of its subsidiaries or affiliates and thereafter, upon written request of the Company to provide reasonable assistance to the Company and its advisors in connection with any audit, investigation or administrative, regulatory or judicial proceeding involving matters within the scope of his duties and responsibilities to the Company during his employment with the Company, or as to which he otherwise has knowledge (including being available to the Company upon reasonable notice for interviews and factual investigations, and appearing at the Company's reasonable request to give testimony without requiring services of a subpoena or other legal process). To the extent reasonably practicable, the Company shall coordinate with Executive to minimize scheduling conflicts with Executive's then current business and personal commitments. The Company shall reimburse Executive for all reasonable and documented expenses incurred in connection with such cooperation, including travel, lodging and meals, to the extent, and at the levels, provided to Executive during the Employment Period. Executive shall not be required to cooperate against his own legal interests. If, in Executive's reasonable judgement, he requires legal counsel in connection with such cooperation, the Company shall reimburse him for the reasonable costs thereof.

(c) Compensation Recovery. Executive acknowledges and agrees that compensation and benefits paid to Executive in connection with his employment with the Company or the termination of such employment are subject to, and nothing in this Agreement limits the applicability of, any compensation recovery policy in effect prior to his termination of employment with the Company that is applicable to the Company's executive officers (the "Compensation Recovery Policy"). In addition, Executive acknowledges and agrees that if he fails to comply in all material respects (subject, if applicable, to Executive's right to cure) with any of the terms of this Agreement, including the restrictive covenants contained herein, the Severance Release (or, should Executive receive severance entitlements conditioned upon the Severance Release, and either fail to execute or revoke the Severance Release), the Company may, in addition to any other remedies it may have, reclaim any severance entitlements set forth in Section 5 without affecting the validity of the covenants provided herein or the Severance Release.

8. **Section 280G Matters**. Notwithstanding any other provision of this Agreement or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its affiliates to Executive or for Executive's benefit pursuant to the terms of this Agreement or otherwise (the "Covered Payments") constitute parachute payments (the "Parachute Payments") within the meaning of Section 280G of the Code and would, but for this Section be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "Excise Tax"), then prior to making the Covered Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to Executive of the Covered Payments after payment of the Excise Tax to (ii) the Net Benefit to Executive if the Covered Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the Covered Payments be reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax (that amount, the "Reduced Amount"). "Net Benefit" shall mean the present value of the Covered Payments net of all federal, state, local, foreign income, employment and excise taxes. The Covered Payments shall be reduced in a manner that maximizes Executive's economic position. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code, and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. The calculations and determinations under this Section shall be provided by an accounting firm selected by the Company (and reasonably acceptable to Executive) prior to the applicable change in control transaction (the "Accounting Firm") and the Company shall pay the cost of such Accounting Firm. The Accounting Firm shall provide such calculations prior to the consummation of the change in control transaction and its determinations shall be binding on Executive and the Company absent manifest error.

9. **Miscellaneous**.

(a) Entire Agreement. This Agreement (including the Exhibits hereto, the Equity Award, and the Vehicle Benefit) constitutes the entire agreement among the parties hereto with respect to the subject matter hereof, and all promises, representations, understandings, arrangements and prior agreements relating to such subject matter (including those made to or with Executive by any other person or entity) are merged herein and superseded in their entirety hereby. In the event of any inconsistency between the terms of this Agreement (or Exhibit hereto) and any plan, program, practice or other agreement of the Company of which Executive is a participant or a party, this Agreement (and Exhibits hereto) shall control unless Executive and the Company otherwise agree in writing.

(b) Amendments. No provisions of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is approved by the Board or a person authorized thereby and is agreed to in writing by Executive and such officer as may be specifically directed by the Board. No waiver by any party hereto at any time of any breach by any other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No waiver of any provision of this Agreement shall be implied from any course of dealing between or among the parties hereto or from any failure by any party hereto to assert its rights hereunder on any occasion or series of occasions.

(c) Successors and Assigns. This Agreement shall be binding upon the Company and Executive and their respective heirs, personal representatives, successors and assigns. Executive may not assign any of his rights or obligations hereunder. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform all of the Company's obligations set forth in this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assign had taken place, unless such assumption occurs by operation of law.

(d) Governing Law, Waiver of Jury Trial.

(i) Governing Law; Consent to Jurisdiction. This Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the internal laws of the State of Delaware without giving effect to the conflict of laws rules thereof to the extent that the application of the law of another jurisdiction would be required thereby. Each party irrevocably submits to the exclusive jurisdiction of the State courts of the city of the Company's headquarters and the Federal courts of the United States of America, in each case, located in (or located nearest to) the city of the Company's headquarters, solely in respect of the interpretation and enforcement of the provisions of this Agreement (including the Exhibits hereto), and in respect of the transactions contemplated hereby and thereby. Each party waives and agrees not to assert, as a defense in any action, suit or proceeding for the interpretation and enforcement hereof, or any such document or in respect of any such transaction, that such action, suit or proceeding may not be brought or is not maintainable in such courts or that the venue thereof may not be appropriate or that this agreement or any such document may not be enforced in or by such courts. Each party consents to and grants any such court jurisdiction over the person of such parties and over the subject matter of any such dispute and agrees that the mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 9(f) or in such other manner as may be permitted by law, shall be valid and sufficient service thereof. In the event of any dispute between the Company and Executive with respect to this Agreement (including the Exhibits hereto), subject to Executive prevailing on at least one material claim or issue asserted in such dispute, the Company shall reimburse Executive for all attorneys' fees and other litigation costs incurred by Executive in connection with such dispute.

(ii) Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH, TERMINATION OR VALIDITY OF THIS AGREEMENT. Each party certifies and acknowledges that (A) no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, (B) each such party understands and has considered the implications of this waiver, (C) each such party makes this waiver voluntarily, and (D) each such party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 9(d)(ii).

(e) Severability. It is the desire of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under applicable law. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby. In the event that any provision of Section 6 is invalid, illegal or unenforceable in accordance with its terms, Executive and the Company agree that such provisions shall be reformed to make such sections enforceable, in a manner which provides the Company with the maximum rights permitted at law.

(f) Notices. Any notice or other communication required or permitted to be delivered under this Agreement shall be (i) in writing, (ii) delivered personally, by courier service or by certified or registered mail, first-class postage prepaid and return receipt requested, (iii) deemed to have been received on the date of delivery or on the third business day after the mailing thereof, and (iv) addressed as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

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

8501 Williams Road
Estero, Florida 33928
Attention: General Counsel
Facsimile: [*]

with a copy to:

White & Case LLP
1221 Avenue of the Americas
New York, New York 10020
Attention: [*]
Electronic mail: [*]

(B) if to Executive, to him at his last known home address as shown on the records of the Company

with a copy to:

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166
Attention: [*] and [*]
Electronic mail: [*] and [*]

(g) Survival. Section 4(d) (as applicable) and Sections 7 through and including 9 and, if Executive's employment terminates in a manner giving rise to a payment under Section 5, Section 5 shall survive the termination of the employment of Executive hereunder.

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

(i) Headings; Construction. The section and other headings contained in this Agreement are for the convenience of the parties only and are not intended to be a part hereof or to affect the meaning or interpretation hereof. For purposes of this Agreement, the term "including" shall mean "including, without limitation."

(j) Tax Withholding. The Company may withhold from any payments made under the Agreement all federal, state, city or other applicable taxes as shall be required pursuant to any law, governmental regulation or ruling.

(k) Section 409A of the Code.

(i) General. It is intended that payments and benefits made or provided under this Agreement shall not result in penalty taxes or accelerated taxation pursuant to Section 409A of the Code. In the event that the parties determine that any payment or benefit provided hereunder would not be in compliance with Section 409A of the Code, the parties shall in good faith attempt to amend or modify this Agreement to comply with Section 409A while preserving the intended economic benefit of this Agreement. Any payments that qualify for the “short-term deferral” exception, the separation pay exception or another exception under Section 409A of the Code shall be paid under the applicable exception. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Agreement shall be treated as a separate payment of compensation. All payments to be made upon a termination of employment under this Agreement may only be made upon a “separation from service” under Section 409A of the Code to the extent necessary in order to avoid the imposition of penalty taxes on Executive pursuant to Section 409A of the Code. In no event may Executive, directly or indirectly, designate the calendar year of any payment under this Agreement, and to the extent required by Section 409A of the Code, any payment that may be paid in more than one taxable year (depending on the time that Executive executes the Severance Release) shall be paid in the later taxable year.

(ii) Reimbursements and In-Kind Benefits. Notwithstanding anything to the contrary in this Agreement, all reimbursements and in-kind benefits provided under this Agreement that are subject to Section 409A of the Code shall be made in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that (A) any reimbursement is for expenses incurred during Executive’s lifetime (or during a shorter period of time specified in this Agreement); (B) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (C) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (D) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(iii) Delay of Payments. Notwithstanding any other provision of this Agreement to the contrary, if Executive is considered a “specified employee” for purposes of Section 409A of the Code (as determined in accordance with the methodology established by the Company and its Affiliates as in effect on the Termination Date), any payment that constitutes nonqualified deferred compensation within the meaning of Section 409A of the Code that is otherwise due to Executive under this Agreement during the six-month period immediately following Executive’s separation from service (as determined in accordance with Section 409A of the Code) on account of Executive’s separation from service shall be accumulated and paid to Executive on the first business day of the seventh month following his separation from service (the “Delayed Payment Date”), to the extent necessary to prevent the imposition of tax penalties on Executive under Section 409A of the Code. If Executive dies during the postponement period, the amounts and entitlements delayed on account of Section 409A of the Code shall be paid to the personal representative of his estate on the first to occur of the Delayed Payment Date or 30 calendar days after the date of Executive’s death.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the Company and Executive have duly executed this Agreement, in each case effective as of the Effective Date.

HERTZ GLOBAL HOLDINGS, INC.

By: /s/ Gregory O'Hara
Name: Gregory O'Hara
Title: Chairperson

Stephen M. Scherr

/s/ Stephen M. Scherr

[*Signature Page to Employment Agreement*]

EXHIBIT B

TERMS OF EQUITY AWARDS

- Time Vested Restricted Stock Unit Award (the "RSU Award"):
    - 2,802,590 shares, representing 0.45% of fully diluted shares of Company common stock as of the Company's emergence from chapter 11 bankruptcy ("Emergence").
    - Shares subject to the RSU Award will vest as follows: 40% on December 31, 2022, and 20% on December 31 of 2023, 2024 and 2025, in each case subject to Executive's continued employment with the Company except as provided below.
    - Additional service credit as if Executive remained employed through December 31 following the Date of Termination upon a upon a Good Leaver Termination, subject to signing and not revoking a Separation Release.
    - Full vesting upon a Good Leaver Termination following a Change in Control (as defined in the Equity Plan or a successor plan), subject to signing and not revoking a Separation Release.
- Performance-Vested Restricted Stock Units (the "New Hire PSUs")
    - 6,539,378 shares, representing 1.05% of fully diluted shares of Company common stock as of Emergence.
    - Subject to time and performance vesting, with a five-year annual time-based vesting schedule on December 31 of each year.
    - Performance vesting is achieved as follows when the 90 day weighted average closing price ("VWAP") of the Company's common stock (measured from the Start Date) equals or exceeds the applicable price set forth below (the "Stock Price Metric"), and shares associated with such Stock Price Metric will become "Vesting Eligible PSUs."

Tranche (Number of PSUs)	Stock Price Metric
1,401,295	$15.00
1,401,295	$20.00
1,401,295	$25.00
1,401,296	$30.00
934,197	$35.00

- Example 1: Assume the Company achieves the $15.00, $20.00 and $25.00 Stock Price Metrics following the Start Date and in calendar year 2022. In that case, the first three tranches of the New Hire PSUs (those relating to the $15.00, $20.00 and $25.00 Stock Price Metrics) (4,203,885 shares in total) would become Vesting Eligible PSUs, and 840,777 shares (4,204,332 shares x 20%) would vest on December 31, 2022. An additional 840,777 shares would vest on December 31 of each of 2023, 2024, 2025 and 2026 even if the Company's stock price subsequently declines below such targets. In each case, vesting is subject to Executive's continued employment on each date.

- Example 2: Assume the same facts as Example 1 and that the Company achieves the $30.00 Stock Price Metric in calendar year 2023 by December 31, 2023. In that case, the tranche related to the $30.00 Stock Price Metric of the New Hire PSUs (1,401,296 shares) would become Vesting Eligible PSUs, and 560,518 shares (1,401,296 shares x 40%) would vest on December 31, 2023. An additional 280,259 shares (or 280,260 shares for 2026) would vest on December 31 of each of 2024, 2025 and 2026 even if the Company's stock price subsequently declines below such target. In each case, vesting is subject to Executive's continued employment on each date.

- Any New Hire PSUs that do not become Vesting Eligible PSUs by the 5th anniversary of the grant date (the "Deadline Date") will be forfeited.

- If a Change in Control (as defined in the Plan) occurs on or prior to the Deadline Date, the per share purchase price paid by the acquirer in such transaction exceeds $15, and Executive remains in continued service with the Company through the consummation of the Change in Control (the "Closing"), then a prorated number of New Hire PSUs shall become Vesting Eligible PSUs based on the per share purchase price paid by the acquirer in such transaction, with linear interpolation between Stock Price Metrics. Any New Hire PSUs that do not become Vesting Eligible PSUs shall immediately be forfeited and canceled as of the Closing.

- Additional service credit as if Executive remained employed through December 31 following the Date of Termination for any then-achieved Stock Price Metrics upon a Good Leaver Termination, subject to signing and not revoking a Separation Release.

- Accelerated vesting of any Vesting Eligible PSUs upon a Good Leaver Termination following a Change in Control (as defined in the Equity Plan or a successor plan), subject to signing and not revoking a Separation Release.

• Change in Control Performance-Vested Restricted Stock Units (the "CIC PSUs")

- 3,113,989 shares, representing 0.50% of fully diluted shares of Company common stock as of Emergence.

- PSUs earned if both of the following performance metrics are met:

- ◦ *Prong 1—Share Price Targets*: Achieved when 90 day VWAP of the Company's common stock (measured after the Start Date) equals or exceeds the applicable price set forth below:

Tranche	**Company Stock Price Metric**
50% of Award	$35.00
100% of Award	$40.00

- ◦ *Prong 2—Change in Control*: Achieved upon either (i) a Change in Control, or (ii) any transaction (whether by merger, acquisition, equity issuance, secondary sale or otherwise) after which Certares and Knighthead (and their affiliates, together "Amarillo") in the aggregate no longer directly or indirectly hold at least 1/3rd of their shares of the Company held as of the date hereof.

◦ Any earned portion of the CIC PSU Award shall vest on the 12 month anniversary of the transaction satisfying Prong 2 above.

◦ Accelerated vesting of any earned portion of the CIC PSU Award upon a Good Leaver Termination, subject to signing and not revoking a Separation Release.

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, Stephen M. Scherr, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2022 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: April 27, 2022

By: /s/ STEPHEN M. SCHERR
Stephen M. Scherr
Chief Executive Officer and Director

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, Kenny Cheung, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2022 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: April 27, 2022

By: /s/ KENNY CHEUNG
Kenny Cheung
Executive Vice President and Chief Financial Officer

EXHIBIT 31.3

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, Stephen M. Scherr, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2022 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: April 27, 2022

By: /s/ STEPHEN M. SCHERR
Stephen M. Scherr
Chief Executive Officer and Director

EXHIBIT 31.4

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, Kenny Cheung, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2022 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: April 27, 2022

By: /s/ KENNY CHEUNG
Kenny Cheung
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

**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 March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen M. Scherr, 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: April 27, 2022

By: /s/ STEPHEN M. SCHERR
Stephen M. Scherr
Chief Executive Officer and Director

EXHIBIT 32.2

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 March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kenny Cheung, 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: April 27, 2022

By: /s/ KENNY CHEUNG
Kenny Cheung
Executive Vice President and Chief Financial Officer

EXHIBIT 32.3

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 March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen M. Scherr, 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: April 27, 2022

By: /s/ STEPHEN M. SCHERR
Stephen M. Scherr
Chief Executive Officer and Director

EXHIBIT 32.4

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 March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kenny Cheung, 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: April 27, 2022

By: /s/ KENNY CHEUNG
Kenny Cheung
Executive Vice President and Chief Financial Officer