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FORM 10-Q

HERTZ GLOBAL HOLDINGS INC - HTZ

Filed: November 02, 2012 (period: September 30, 2012)

Quarterly report with a continuing view of a company's financial position

**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 September 30, 2012

OR

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

Commission File Number 001-33139

HERTZ GLOBAL HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-3530539
(I.R.S. Employer
Identification Number)

**225 Brae Boulevard
Park Ridge, New Jersey 07656-0713
(201) 307-2000**
(Address, including Zip Code, and telephone number,
including area code, of registrant's principal executive offices)

Not Applicable
(Former name, former address and former fiscal year,
if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 420,957,683 shares of the registrant's common stock, par value \$0.01 per share, issued and outstanding as of November 1, 2012.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

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PART I—FINANCIAL INFORMATION

ITEM I. Condensed Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Shareholders of Hertz Global Holdings, Inc.:

We have reviewed the accompanying condensed consolidated balance sheet of Hertz Global Holdings, Inc. and its subsidiaries as of September 30, 2012, and the related consolidated statements of operations and comprehensive income (loss) for the three-month and nine-month periods ended September 30, 2012 and September 30, 2011 and the consolidated statements of cash flows for the nine-month periods ended September 30, 2012 and September 30, 2011. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2011, and the related consolidated statements of operations, of changes in equity and of cash flows for the year then ended (not presented herein), and in our report dated February 27, 2012, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2011, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

/s/ PricewaterhouseCoopers LLP

Florham Park, New Jersey
November 2, 2012

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands of Dollars)

Unaudited

	September 30, 2012	December 31, 2011
ASSETS		
Cash and cash equivalents	\$ 453,361	\$ 931,779
Restricted cash and cash equivalents	376,773	308,039
Receivables, less allowance for doubtful accounts of \$23,681 and \$20,282	1,731,795	1,616,382
Inventories, at lower of cost or market	105,982	83,978
Prepaid expenses and other assets	384,079	421,758
Revenue earning equipment, at cost:		
Cars	11,850,783	9,678,765
Less accumulated depreciation	(1,814,403)	(1,360,012)
Other equipment	3,226,306	2,830,176
Less accumulated depreciation	(1,041,477)	(1,043,520)
Total revenue earning equipment	<u>12,221,209</u>	<u>10,105,409</u>
Property and equipment, at cost:		
Land, buildings and leasehold improvements	1,191,140	1,146,112
Service equipment and other	1,138,356	1,050,915
	<u>2,329,496</u>	<u>2,197,027</u>
Less accumulated depreciation	(1,049,775)	(945,173)
Total property and equipment	<u>1,279,721</u>	<u>1,251,854</u>
Other intangible assets, net	2,531,522	2,562,234
Goodwill	454,663	392,094
Total assets	<u>\$ 19,539,105</u>	<u>\$ 17,673,527</u>
LIABILITIES AND EQUITY		
Accounts payable	\$ 975,098	\$ 897,489
Accrued liabilities	1,020,483	1,128,458
Accrued taxes	205,037	125,803
Debt	12,720,908	11,317,090
Public liability and property damage	279,755	281,534
Deferred taxes on income	1,795,513	1,688,478
Total liabilities	<u>16,996,794</u>	<u>15,438,852</u>
Commitments and contingencies		
Equity:		
Hertz Global Holdings, Inc. and Subsidiaries stockholders' equity		
Preferred Stock, \$0.01 par value, 200,000,000 shares authorized, no shares issued and outstanding	—	—
Common Stock, \$0.01 par value, 2,000,000,000 shares authorized, 420,859,594 and 417,022,853 shares issued and outstanding	4,209	4,170
Additional paid-in capital	3,220,500	3,205,964
Accumulated deficit	(667,588)	(947,064)
Accumulated other comprehensive loss	(14,829)	(28,414)
Total Hertz Global Holdings, Inc. and Subsidiaries stockholders' equity	<u>2,542,292</u>	<u>2,234,656</u>
Noncontrolling interest	19	19
Total equity	<u>2,542,311</u>	<u>2,234,675</u>
Total liabilities and equity	<u>\$ 19,539,105</u>	<u>\$ 17,673,527</u>

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

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands of Dollars, except share and per share data)

Unaudited

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Revenues:				
Car rental	\$ 2,105,987	\$ 2,062,457	\$ 5,578,544	\$ 5,272,595
Equipment rental	362,933	321,555	998,458	891,282
Other	47,302	48,254	125,292	120,685
Total revenues	2,516,222	2,432,266	6,702,294	6,284,562
Expenses:				
Direct operating	1,241,082	1,247,617	3,545,162	3,508,588
Depreciation of revenue earning equipment and lease charges	560,529	523,283	1,594,396	1,379,041
Selling, general and administrative	201,022	197,557	615,343	575,369
Interest expense	154,925	169,339	469,375	532,054
Interest income	(716)	(1,248)	(2,276)	(4,650)
Other (income) expense, net	(9,513)	29	(10,524)	62,706
Total expenses	2,147,329	2,136,577	6,211,476	6,053,108
Income before income taxes	368,893	295,689	490,818	231,454
Provision for taxes on income	(125,973)	(83,180)	(211,343)	(87,802)
Net income	242,920	212,509	279,475	143,652
Less: Net income attributable to noncontrolling interest	—	(5,771)	—	(14,531)
Net income attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders	\$ 242,920	\$ 206,738	\$ 279,475	\$ 129,121
Weighted average shares outstanding (in thousands):				
Basic	420,562	416,611	419,562	415,551
Diluted	445,490	440,908	447,088	447,304
Earnings per share attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders:				
Basic	\$ 0.58	\$ 0.50	\$ 0.67	\$ 0.31
Diluted	\$ 0.55	\$ 0.47	\$ 0.63	\$ 0.29

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

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In Thousands of Dollars)

	Unaudited	
	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011
Net income	\$ 242,920	\$ 212,509
Other comprehensive income (loss), net of tax:		
Translation adjustment changes, (net of tax of 2012: \$(2,936) and 2011: \$3,363)	\$ 20,175	\$ (66,580)
Unrealized holding gains (losses) on securities, (net of tax of 2012: \$1,095 and 2011: \$(3,215))	1,720	(5,026)
Other, (net of tax of 2012: \$0 and 2011: \$0)	(103)	92
Unrealized gain on Euro-denominated debt, (net of tax of 2012: \$0 and 2011: \$6,898)	—	10,777
Defined benefit pension plans		
Net gains (losses) arising during the period, (net of tax of 2012: \$1,064 and 2011: \$(4,834))	1,437	(14,007)
Defined benefit pension plans	1,437	(14,007)
Other comprehensive income (loss)	23,229	(74,744)
Comprehensive income	266,149	137,765
Less: Comprehensive income attributable to noncontrolling interest	—	(5,771)
Comprehensive income attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders	\$ 266,149	\$ 131,994
	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Net income	\$ 279,475	\$ 143,652
Other comprehensive income (loss), net of tax:		
Translation adjustment changes, (net of tax of 2012: \$(2,729) and 2011: \$1,713)	\$ 3,655	\$ (7,850)
Unrealized holding gains (losses) on securities, (net of tax of 2012: \$3,063 and 2011: \$(2,450))	4,817	(3,791)
Other, (net of tax of 2012: \$0 and 2011: \$0)	5	32
Unrealized loss on Euro-denominated debt, (net of tax of 2012: \$0 and 2011: \$(2,650))	—	(4,139)
Defined benefit pension plans		
Net gains arising during the period, (net of tax of 2012: \$3,333 and 2011: \$2,037)	5,109	3,074
Defined benefit pension plans	5,109	3,074
Other comprehensive income (loss)	13,586	(12,674)
Comprehensive income	293,061	130,978
Less: Comprehensive income attributable to noncontrolling interest	—	(14,531)
Comprehensive income attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders	\$ 293,061	\$ 116,447

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

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of Dollars)

Unaudited

	Nine Months Ended September 30,	
	2012	2011
Cash flows from operating activities:		
Net income	\$ 279,475	\$ 143,652
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of revenue earning equipment	1,530,775	1,306,661
Depreciation of property and equipment	125,132	117,837
Amortization of other intangible assets	58,899	51,175
Amortization and write-off of deferred financing costs	43,443	77,614
Amortization and write-off of debt discount	22,562	30,324
Stock-based compensation charges	22,260	24,438
(Gain) loss on derivatives	731	(14,330)
Gain on disposal of business	(9,116)	—
Loss on revaluation of foreign denominated debt	2,498	—
Provision for losses on doubtful accounts	23,472	21,211
Asset writedowns	3,181	22,782
Deferred taxes on income	104,392	27,791
Gain on sale of property and equipment	(1,935)	(5,199)
Changes in assets and liabilities, net of effects of acquisition:		
Receivables	(232,336)	(150,212)
Inventories, prepaid expenses and other assets	(6,098)	(12,616)
Accounts payable	83,112	66,808
Accrued liabilities	16,586	(124,288)
Accrued taxes	66,104	56,268
Public liability and property damage	(3,189)	8,628
Net cash provided by operating activities	<u>2,129,948</u>	<u>1,648,544</u>
Cash flows from investing activities:		
Net change in restricted cash and cash equivalents	(69,301)	(123,511)
Revenue earning equipment expenditures	(7,681,018)	(7,864,609)
Proceeds from disposal of revenue earning equipment	4,815,374	4,932,410
Property and equipment expenditures	(229,440)	(202,276)
Proceeds from disposal of property and equipment	94,644	48,133
Acquisitions, net of cash acquired	(196,220)	(222,988)
Purchase of short-term investments, net	—	(32,891)
Proceeds from disposal of business	11,691	—
Other investing activities	(1,400)	760
Net cash used in investing activities	<u>\$ (3,255,670)</u>	<u>\$ (3,464,972)</u>

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

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(In Thousands of Dollars)

Unaudited

	Nine Months Ended September 30,	
	2012	2011
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	\$ 282,382	\$ 3,058,395
Payment of long-term debt	(656,114)	(3,641,290)
Short-term borrowings:		
Proceeds	367,988	371,994
Payments	(962,690)	(814,894)
Proceeds (payments) under the revolving lines of credit, net	1,675,987	934,364
Distributions to noncontrolling interest	—	(10,500)
Purchase of noncontrolling interest	(38,000)	—
Proceeds from employee stock purchase plan	3,186	2,690
Proceeds from exercise of stock options	7,233	12,292
Proceeds from disgorgement of stockholder short-swing profits	17	73
Net settlement on vesting of restricted stock	(20,050)	(11,425)
Payment of financing costs	(13,679)	(87,640)
Net cash provided by (used in) financing activities	<u>646,260</u>	<u>(185,941)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	1,044	13,987
Net decrease in cash and cash equivalents during the period	<u>(478,418)</u>	<u>(1,988,382)</u>
Cash and cash equivalents at beginning of period	931,779	2,374,170
Cash and cash equivalents at end of period	<u>\$ 453,361</u>	<u>\$ 385,788</u>
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest (net of amounts capitalized)	\$ 395,601	\$ 487,911
Income taxes	43,024	32,544
Supplemental disclosures of non-cash flow information:		
Purchases of revenue earning equipment included in accounts payable and accrued liabilities	\$ 289,798	\$ 217,675
Sales of revenue earning equipment included in receivables	504,930	949,824
Purchases of property and equipment included in accounts payable	53,708	52,787
Sales of property and equipment included in receivables	38,052	10,777

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

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

Note 1—Background

Hertz Global Holdings, Inc., or "Hertz Holdings," is our top-level holding company. The Hertz Corporation, or "Hertz," is our primary operating company and a direct wholly-owned subsidiary of Hertz Investors, Inc., which is wholly-owned by Hertz Holdings. "We," "us" and "our" mean Hertz Holdings and its consolidated subsidiaries, including Hertz.

We are a successor to corporations that have been engaged in the car and truck rental and leasing business since 1918 and the equipment rental business since 1965. Hertz was incorporated in Delaware in 1967. Ford Motor Company acquired an ownership interest in Hertz in 1987. Prior to this, Hertz was a subsidiary of United Continental Holdings, Inc. (formerly Allegis Corporation), which acquired Hertz's outstanding capital stock from RCA Corporation in 1985. Hertz Holdings was incorporated in Delaware in 2005 and had no operations prior to the Acquisition (as defined below).

On December 21, 2005, investment funds associated with or designated by:

- Clayton, Dubilier & Rice, Inc., which was succeeded by Clayton, Dubilier & Rice, LLC, or "CD&R,"
- The Carlyle Group, or "Carlyle," and
- Merrill Lynch Global Private Equity, Inc., or "MLGPE,"

acquired all of Hertz's common stock from Ford Holdings LLC. In January 2009, Bank of America Corporation, or "Bank of America," acquired Merrill Lynch & Co., Inc., the former parent company of MLGPE. Accordingly, Bank of America is now an indirect beneficial owner of our common stock held by the investment funds associated with MLGPE. We refer to CD&R, Carlyle and MLGPE collectively as the "Sponsors." We refer to the acquisition of all of Hertz's common stock by the Sponsors as the "Acquisition."

After giving effect to our initial public offering in November 2006 and subsequent offerings, the Sponsors' holdings represent approximately 38% of the outstanding shares of common stock of Hertz Holdings as of September 30, 2012.

On September 1, 2011, Hertz completed the acquisition of Donlen Corporation, or "Donlen," a leading provider of fleet leasing and management services.

On December 31, 2011, Hertz purchased the noncontrolling interest of Navigation Solutions, L.L.C., thereby increasing its ownership interest from 65% to 100%.

On August 26, 2012, Hertz Holdings, HDTMS, Inc., a wholly owned subsidiary of Hertz Holdings, and Dollar Thrifty Automotive Group, Inc., a Delaware corporation, or "Dollar Thrifty," entered into an Agreement and Plan of Merger, or the "Merger Agreement," pursuant to which Hertz Holdings would acquire Dollar Thrifty for \$87.50 per share, net to the seller in cash, without any interest and less any required withholding taxes, in a transaction valued at a corporate enterprise value of approximately \$ 2.3 billion. After taking into account our use of approximately \$400 million of cash and cash equivalents available from Dollar Thrifty, we expect to use approximately \$ 345 million of our cash and cash equivalents to consummate the acquisition of Dollar Thrifty and to finance the remaining \$ 1.95 billion through a combination of \$750 million in incremental term loans under our Senior Term Facility and \$1.2 billion in senior notes which was raised in October 2012. The boards of directors of both companies have unanimously approved the transaction. The transaction has been structured as a two-step acquisition including a cash tender offer for all outstanding shares of Dollar Thrifty common stock followed by a cash merger in which Hertz Holdings would acquire any remaining outstanding shares of Dollar Thrifty common stock. The transaction is subject to the tender of at least a majority of the shares of Dollar Thrifty common stock, as well as other customary closing conditions. The successful completion of the transaction is also subject to regulatory clearance by the Federal Trade Commission. Hertz Holdings has also reached a definitive agreement with Adreca Holdings Corp., a subsidiary of Macquarie Capital which is expected to be operated by Franchise Services of North America Inc., to sell the Advantage Rent A Car business, selected Dollar Thrifty airport concessions and certain other assets. The closing of that divestiture is conditioned upon, among other things, Hertz Holdings completing an acquisition of Dollar Thrifty. Hertz Holdings estimates that it would realize a loss before income taxes of approximately \$ 30 million to \$35 million as a result of this divestiture. We can offer no assurance that the Merger Agreement will be consummated.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
Unaudited

Note 2—Basis of Presentation and Recently Issued Accounting Pronouncements

Basis of Presentation

The significant accounting policies summarized in Note 2 to our audited consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, filed with the United States Securities and Exchange Commission, or "SEC," on February 27, 2012, or the "Form 10-K," have been followed in preparing the accompanying condensed consolidated financial statements.

Franchise revenues and transactions

"Franchise revenues" includes franchise fees for use of our brands and services. Generally franchise fees from franchised locations are based on a percentage of net sales of the franchised business and are recognized as earned and when collectability is reasonably assured.

Initial franchise fees are recorded as deferred income when received and are recognized as revenue when all material services and conditions related to the franchise fee have been substantially performed.

Renewal franchise fees are recognized as revenue when the license agreements are effective and collectability is reasonably assured.

Other (income) and expenses, net includes the gains or losses from the sales of our operations or assets to new and existing franchisees. Such gains or losses are included in operating income because they are expected to be a recurring part of our business.

The December 31, 2011 condensed consolidated balance sheet data was derived from our audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America, or "GAAP."

The preparation of financial statements in conformity with 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.

In our opinion, all adjustments necessary for a fair presentation of the results of operations for the interim periods have been made. Results for interim periods are not necessarily indicative of results for a full year.

Certain prior period amounts have been reclassified to conform with current period presentation.

Recently Issued Accounting Pronouncements

In June 2011, the Financial Accounting Standards Board, or "FASB," issued Accounting Standards Update No. 2011-05, "Presentation of Comprehensive Income," requiring companies to present items of net income and other comprehensive income either in one continuous statement, referred to as the statement of comprehensive income, or in two separate, but consecutive statements of net income and other comprehensive income. The amendments in this update do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. These provisions became effective for us beginning with the quarterly report for the period ended March 31, 2012. In December 2011, the FASB issued Accounting Standards Update No. 2011-12, "Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05," which defers the timing of implementing only those changes in Update 2011-05 that relate to the presentation of reclassification adjustments.

In July 2012, the FASB issued Accounting Standards Update No. 2012-02, "Intangibles--Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment", which states that that an entity has the option first to assess qualitative factors to determine whether the existence of events and circumstances indicates that it is more likely than not that the indefinite-lived intangible asset is impaired. If, after assessing the totality of events and circumstances, an entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test by comparing the fair value with the carrying amount.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
Unaudited

This provision is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. The Company is presently assessing whether to adopt in relation to its annual impairment test scheduled for the fourth quarter.

Note 3—Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

We consider all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

In our Consolidated Statements of Cash Flows, we net cash flows from revolving borrowings in the line item "Proceeds (payments) under the revolving lines of credit, net."

Restricted cash and cash equivalents includes cash and cash equivalents that are not readily available for our normal disbursements. Restricted cash and cash equivalents are restricted for the purchase of revenue earning vehicles and other specified uses under our Fleet Debt facilities, for our Like-Kind Exchange Program, or "LKE Program," and to satisfy certain of our self-insurance regulatory reserve requirements. As of September 30, 2012 and December 31, 2011, the portion of total restricted cash and cash equivalents that was associated with our Fleet Debt facilities was \$302.2 million and \$213.6 million, respectively. The increase in restricted cash and cash equivalents associated with our fleet debt of \$88.6 million from December 31, 2011 to September 30, 2012 was primarily related to the timing of purchases and sales of revenue earning vehicles.

Note 4—Goodwill and Other Intangible Assets

The following summarizes the changes in our goodwill, by segment (in millions of dollars):

	Car Rental	Equipment Rental	Total
Balance as of January 1, 2012			
Goodwill	\$ 419.3	\$ 693.8	\$ 1,113.1
Accumulated impairment losses	(46.1)	(674.9)	(721.0)
	373.2	18.9	392.1
Goodwill acquired during the period	—	79.4	79.4
Adjustments to previously recorded purchase price allocation	(15.3)	—	(15.3)
Other changes during the period ⁽¹⁾	(1.0)	(0.5)	(1.5)
	(16.3)	78.9	62.6
Balance as of September 30, 2012			
Goodwill	403.0	772.7	1,175.7
Accumulated impairment losses	(46.1)	(674.9)	(721.0)
	<u>\$ 356.9</u>	<u>\$ 97.8</u>	<u>\$ 454.7</u>

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
Unaudited

	Car Rental	Equipment Rental	Total
Balance as of January 1, 2011			
Goodwill	\$ 367.9	\$ 681.7	\$ 1,049.6
Accumulated impairment losses	(46.1)	(674.9)	(721.0)
	321.8	6.8	328.6
Goodwill acquired during the year	53.1	12.3	65.4
Adjustments to previously recorded purchase price allocation	(0.9)	(0.1)	(1.0)
Other changes during the year ⁽¹⁾	(0.8)	(0.1)	(0.9)
	51.4	12.1	63.5
Balance as of December 31, 2011			
Goodwill	419.3	693.8	1,113.1
Accumulated impairment losses	(46.1)	(674.9)	(721.0)
	\$ 373.2	\$ 18.9	\$ 392.1

(1) Primarily consists of changes resulting from disposals and the translation of foreign currencies at different exchange rates from the beginning of the period to the end of the period.

Other intangible assets, net, consisted of the following major classes (in millions of dollars):

	September 30, 2012		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Amortizable intangible assets:			
Customer-related	\$ 694.6	\$ (416.5)	\$ 278.1
Other ⁽¹⁾	81.0	(35.8)	45.2
Total	775.6	(452.3)	323.3
Indefinite-lived intangible assets:			
Trade name	2,190.0	—	2,190.0
Other ⁽²⁾	18.2	—	18.2
Total	2,208.2	—	2,208.2
Total other intangible assets, net	\$ 2,983.8	\$ (452.3)	\$ 2,531.5

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	December 31, 2011		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Amortizable intangible assets:			
Customer-related	\$ 672.6	\$ (365.5)	\$ 307.1
Other ⁽¹⁾	74.7	(27.8)	46.9
Total	747.3	(393.3)	354.0
Indefinite-lived intangible assets:			
Trade name	2,190.0	—	2,190.0
Other ⁽²⁾	18.2	—	18.2
Total	2,208.2	—	2,208.2
Total other intangible assets, net	\$ 2,955.5	\$ (393.3)	\$ 2,562.2

(1) Other amortizable intangible assets primarily consist of our Advantage trade name and concession rights, Donlen trade name, reacquired franchise rights, non-compete agreements and technology-related intangibles.

(2) Other indefinite-lived intangible assets primarily consist of reacquired franchise rights.

Amortization of other intangible assets for the three months ended September 30, 2012 and 2011 was approximately \$19.9 million and \$17.5 million, respectively, and for the nine months ended September 30, 2012 and 2011 was approximately \$58.9 million and \$51.2 million, respectively. Based on our amortizable intangible assets as of September 30, 2012, we expect amortization expense to be approximately \$18.5 million for the remainder of 2012, \$77.2 million in 2013, \$72.8 million in 2014, \$70.5 million in 2015, \$21.7 million in 2016 and \$8.7 million in 2017.

On September 1, 2011, Hertz acquired 100% of the equity interest in Donlen, a leading provider of fleet leasing and management services. The amount of revenue and earnings of the combined entity had the acquisition date been January 1, 2010, are as follows (in millions):

	Revenue	Earnings
2011 supplemental pro forma for the third quarter of 2011 (combined entity)	\$ 2,500.8	\$ 209.3
2011 supplemental pro forma for the first nine months of 2011 (combined entity)	6,545.8	137.2

2011 supplemental pro forma revenue for the three months ended September 30, 2011 excludes \$0.6 million related to deferred revenue which was eliminated as part of acquisition accounting. 2011 supplemental pro forma earnings for the three months ended September 30, 2011 excludes \$0.4 million related to deferred income which was eliminated as part of acquisition accounting. 2011 supplemental pro forma revenue for the nine months ended September 30, 2011 excludes \$3.2 million related to deferred revenue which was eliminated as part of acquisition accounting. 2011 supplemental pro forma earnings for the nine months ended September 30, 2011 excludes \$2.0 million related to deferred income which was eliminated as part of acquisition accounting.

This transaction has been accounted for using the acquisition method of accounting in accordance with GAAP and operating results of Donlen from the date of acquisition are included in our consolidated statements of operations. The allocation of the purchase price to the tangible and intangible net assets acquired is complete.

Advantage Divestiture

On August 26, 2012, Hertz Holdings entered into a Merger Agreement with HDTMS, Inc., a Delaware corporation and an indirect wholly owned subsidiary of Hertz Holdings, and Dollar Thrifty pursuant to which Hertz Holdings has agreed to acquire Dollar Thrifty. The Merger Agreement provides that, with respect to obtaining antitrust approval of the acquisition, Hertz Holdings is required to, among other actions, divest its Advantage Rent A Car, or "Advantage," business, together with certain additional assets and airport concessions, pursuant to a proposed consent agreement currently under discussion between Hertz Holdings and the United States Federal Trade Commission, or the "FTC;" provided, however, that any such divestitures shall be conditioned upon the consummation of the Merger. To that end,

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Hertz Holdings has reached a definitive agreement with Adreca Holdings Corp., a subsidiary of Macquarie Capital which is expected to be operated by Franchise Services of North America Inc., providing for the divestiture of its Advantage business, or the "Advantage Divestiture," selected Dollar Thrifty airport concessions and certain other assets, contingent on a successful acquisition of Dollar Thrifty.

As of September 30, 2012, the Advantage business was classified as held and used as the sale transaction was not probable and was contingent upon acquisition of Dollar Thrifty as of such date. Hertz's agreement to divest its Advantage business, which if consummated would result in a loss, triggered an interim impairment analysis. The assets were evaluated for impairment under a probability-weighted approach for developing estimates of future cash flows used to test a long-lived asset for recoverability. The sum of future undiscounted cash flows of the Advantage business exceeds the carrying value as of September 30, 2012. Accordingly, no impairment has been recognized at September 30, 2012.

Hertz estimates that the occurrence of the Advantage Divestiture would cause Hertz to realize a loss (before income taxes) in the range of approximately \$30 million to \$35 million. This estimated loss associated with the Advantage Divestiture is preliminary and subject to further adjustments. We can offer no assurance that the Merger Agreement will be consummated.

Other Acquisitions

During the nine months ended September 30, 2012, we added nineteen domestic equipment rental locations through external acquisitions. These acquisitions are not material to the consolidated amounts presented within our statement of operations for the three-month and nine-month periods ended September 30, 2012.

Note 5—Taxes on Income

The effective tax rate for the three and nine months ended September 30, 2012 was 34.1% and 43.1%, respectively. The provision for taxes on income of \$126.0 million in the three months ended September 30, 2012 increased from \$83.2 million in the three months ended September 30, 2011, primarily due to higher income before income taxes, changes in geographic earnings mix and changes in losses in certain non-U.S. jurisdictions for which tax benefits are not realized. The provision for taxes on income of \$211.3 million in the nine months ended September 30, 2012 increased from \$87.9 million in the nine months ended September 30, 2011, primarily due to higher income before income taxes, changes in geographic earnings mix and changes in losses in certain non-U.S. jurisdictions for which tax benefits are not realized.

Note 6—Depreciation of Revenue Earning Equipment and Lease Charges

Depreciation of revenue earning equipment and lease charges includes the following (in millions of dollars):

	Three Months Ended September 30,	
	2012	2011
Depreciation of revenue earning equipment	\$ 554.1	\$ 528.1
Adjustment of depreciation upon disposal of revenue earning equipment	(12.7)	(30.9)
Rents paid for vehicles leased	19.1	26.1
Total	\$ 560.5	\$ 523.3

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	Nine Months Ended September 30,	
	2012	2011
Depreciation of revenue earning equipment	\$ 1,624.1	\$ 1,399.9
Adjustment of depreciation upon disposal of revenue earning equipment	(93.3)	(93.3)
Rents paid for vehicles leased	63.6	72.4
Total	<u>\$ 1,594.4</u>	<u>\$ 1,379.0</u>

The adjustment of depreciation upon disposal of revenue earning equipment for the three months ended September 30, 2012 and 2011, included net gains of \$9.7 million and \$26.3 million, respectively, on the disposal of vehicles used in our car rental operations and net gains of \$3.0 million and \$4.6 million, respectively, on the disposal of industrial and construction equipment used in our equipment rental operations. The adjustment of depreciation upon disposal of revenue earning equipment for the nine months ended September 30, 2012 and 2011, included net gains of \$82.9 million and \$86.0 million, respectively, on the disposal of vehicles used in our car rental operations and net gains of \$10.4 million and \$7.3 million, respectively, on the disposal of industrial and construction equipment used in our equipment rental operations.

Depreciation rates are reviewed on a quarterly basis based on management's routine review of present and estimated future market conditions and their effect on residual values at the time of disposal. During the nine months ended September 30, 2012, depreciation rates being used to compute the provision for depreciation of revenue earning equipment were adjusted on certain vehicles in our car rental operations to reflect changes in the estimated residual values to be realized when revenue earning equipment is sold. These depreciation rate changes resulted in net decreases of \$59.4 million and \$96.7 million in depreciation expense for the three and nine months ended September 30, 2012, respectively. During the three-month and nine-month periods ended September 30, 2012, the depreciation rate changes in certain of our equipment rental operations resulted in an increase of \$0.1 million in depreciation expense.

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Note 7—Debt

Our debt consists of the following (in millions of dollars):

Facility	Average Interest Rate at September 30, 2012 ⁽¹⁾	Fixed or Floating Interest Rate	Maturity	September 30, 2012	December 31, 2011
Corporate Debt					
Senior Term Facility	3.75%	Floating	3/2018	\$ 1,379.0	\$ 1,389.5
Senior ABL Facility	2.47%	Floating	3/2016	410.0	—
Senior Notes ⁽²⁾	7.09%	Fixed	10/2018–1/2021	2,450.0	2,638.6
Promissory Notes	6.96%	Fixed	6/2012–1/2028	48.7	224.7
Convertible Senior Notes	5.25%	Fixed	6/2014	474.7	474.7
Other Corporate Debt	5.05%	Floating	Various	65.7	49.6
Unamortized Net Discount (Corporate) ⁽³⁾				(43.7)	(72.3)
Total Corporate Debt				4,784.4	4,704.8
Fleet Debt					
<i>U.S. ABS Program</i>					
U.S. Fleet Variable					
Funding Notes:					
Series 2009-1 ⁽⁴⁾⁽⁵⁾	1.25%	Floating	3/2013	1,900.0	1,000.0
Series 2010-2 ⁽⁴⁾	1.36%	Floating	3/2013	200.0	170.0
Series 2011-2 ⁽⁴⁾	N/A	Floating	4/2012	—	175.0
				2,100.0	1,345.0
U.S. Fleet Medium Term					
Notes					
Series 2009-2 ⁽⁴⁾	4.95%	Fixed	3/2013–3/2015	1,384.3	1,384.3
Series 2010-1 ⁽⁴⁾	3.77%	Fixed	2/2014–2/2018	749.8	749.8
Series 2011-1 ⁽⁴⁾	2.86%	Fixed	3/2015–3/2017	598.0	598.0
				2,732.1	2,732.1
<i>Donlen ABS Program</i>					
Donlen GN II Variable					
Funding Notes ⁽⁶⁾	1.17%	Floating	12/2012	899.3	811.2
<i>Other Fleet Debt</i>					
U.S. Fleet Financing					
Facility	3.27%	Floating	9/2015	158.9	136.0
European Revolving Credit					
Facility	2.72%	Floating	6/2015	393.6	200.6
European Fleet Notes	8.50%	Fixed	7/2015	514.9	517.7
European Securitization ⁽⁴⁾	2.51%	Floating	7/2014	413.6	256.2
Canadian Securitization	2.16%	Floating	6/2013	147.1	68.3
Australian Securitization ⁽⁴⁾⁽⁷⁾	5.02%	Floating	12/2012	162.3	169.3
Brazilian Fleet Financing					
Facility	13.53%	Floating	2/2013	14.0	23.1
Capitalized Leases	4.40%	Floating	Various	407.7	363.7
Unamortized Discount (Fleet)				(7.0)	(10.9)
				2,205.1	1,724.0
Total Fleet Debt				7,936.5	6,612.3
Total Debt				\$ 12,720.9	\$ 11,317.1

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Note: For further information on the definitions and terms of our debt, see Note 4 of the Notes to our audited annual consolidated financial statements included in our Form 10-K under the caption "Item 8—Financial Statements and Supplementary Data."

- (1) As applicable, reference is to the September 30, 2012 weighted average interest rate (weighted by principal balance).
- (2) References to our "Senior Notes" include the series of Hertz's unsecured senior notes set forth in the table below. As of September 30, 2012 and December 31, 2011, the outstanding principal amount for each such series of the Senior Notes is also specified below.

Senior Notes	Outstanding Principal (in millions)	
	September 30, 2012	December 31, 2011
8.875% Senior Notes due January 2014	\$ —	\$ 162.3
7.875% Senior Notes due January 2014	—	276.3 €(213.5)
7.50% Senior Notes due October 2018	700.0	700.0
7.375% Senior Notes due January 2021	500.0	500.0
6.75% Senior Notes due April 2019	1,250.0	1,000.0
	<u>\$ 2,450.0</u>	<u>\$ 2,638.6</u>

- (3) As of September 30, 2012 and December 31, 2011, \$47.1 million and \$65.5 million, respectively, of the unamortized corporate discount relates to the 5.25% Convertible Senior Notes.
- (4) Maturity reference is to the "expected final maturity date" as opposed to the subsequent "legal maturity date." The expected final maturity date is the date by which Hertz and investors in the relevant indebtedness expect the relevant indebtedness to be repaid. The legal final maturity date is the date on which the relevant indebtedness is legally due and payable.
- (5) In October 2012, extended to 3/2014. See Note 17—Subsequent Events.
- (6) In October 2012, extended to 12/2013. See Note 17—Subsequent Events.
- (7) In October 2012, extended to 12/2014. See Note 17—Subsequent Events.

Maturities

The aggregate amounts of maturities of debt for each of the twelve-month periods ending September 30 (in millions of dollars) are as follows:

2013	\$ 6,259.8	(including \$5,610.9 of other short-term borrowings*)
2014	\$ 254.0	
2015	\$ 1,769.6	
2016	\$ 329.2	
2017	\$ 266.0	
After 2017	\$ 3,893.0	

* Our short-term borrowings as of September 30, 2012 include, among other items, the amounts outstanding under the European Securitization, Australian Securitization, Senior ABL Facility, U.S. Fleet Financing Facility, U.S. Fleet Variable Funding Notes, Brazilian Fleet Financing Facility, Canadian Securitization, Capitalized Leases, European Revolving Credit Facility and the Donlen GN II Variable Funding Notes. These amounts are reflected as short-term borrowings, regardless of the facility maturity date, as these facilities are revolving in nature and/or the outstanding borrowings have maturities of three months or less. Short-term borrowings also include the Convertible Senior Notes which became convertible on January 1, 2012 and remain as such through December 31, 2012. As of September 30, 2012, short-term borrowings had a weighted average interest rate of 2.3%.

We are highly leveraged and a substantial portion of our liquidity needs arise from debt service on our indebtedness and from the funding of our costs of operations and capital expenditures. We believe that cash generated from operations and cash received on the disposal of vehicles and equipment, together with amounts available under various liquidity facilities will be adequate to permit us to meet our debt maturities over the next twelve months.

Letters of Credit

As of September 30, 2012, there were outstanding standby letters of credit totaling \$601.1 million. Of this amount, \$553.3 million was issued under the Senior Credit Facilities (\$291.0 million of which was issued for the benefit of the U.S. ABS Program, and \$65.7 million was related to other debt obligations primarily to support self-insurance programs as well as airport concession obligations in the United States, Canada and Europe). As of September 30, 2012, none of these letters of credit have been drawn upon.

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2012 Events

On January 1, 2012, our Convertible Senior Notes became convertible. This conversion right was triggered because our closing common stock price per share exceeded \$10.77 for at least 20 trading days during the 30 consecutive trading day period ending on December 31, 2011. Since this same trigger was met in the third quarter of 2012, the Convertible Senior Notes continue to be convertible through December 31, 2012, and may be convertible thereafter, if one or more of the conversion conditions specified in the indenture is satisfied during future measurement periods. Our policy has been and continues to be to settle conversions of Convertible Senior Notes using a combination of cash and our common stock, which calls for settling the fixed dollar amount per \$1,000 in principal amount in cash and settling in shares the excess conversion, if any.

In February 2012, Hertz called the remainder of its outstanding 8.875% Senior Notes due 2014 and 7.875% Senior Notes due January 2014 for redemption. Hertz redeemed these notes in full during March 2012.

In February 2012, Hertz caused its wholly-owned subsidiary GN Funding II L.L.C. to increase the capacity of the Donlen GN II Variable Funding Notes from \$850 million to \$900 million. In July 2012 Hertz caused its wholly-owned subsidiary GN Funding II L.L.C. to further increase the capacity of the Donlen GN II Variable Funding Notes from \$900 million to \$1 billion and to extend the maturity date of the Donlen GN II Variable Funding Notes from August 2012 to December 2012.

In March 2012, Hertz issued an additional \$250 million in aggregate principal amount of the 6.75% Senior Notes due 2019. The proceeds of this March 2012 offering were used to redeem all of the outstanding 8.875% Senior Notes due 2014 and together with cash on hand, all of the outstanding 7.875% Senior Notes due 2014 which resulted in the write-off of unamortized debt costs of \$3.2 million.

In March 2012, Hertz caused its wholly-owned subsidiary HC Limited Partnership to amend the Canadian Securitization to extend the maturity date from March 2012 to May 2012. In the second quarter of 2012, the maturity date was extended to June 2013.

In April 2012, Hertz caused its wholly-owned subsidiary Hertz Vehicle Financing LLC, or "HVF," to pay off the remaining debt outstanding under the U.S. ABS Program Series 2011-2 U.S. Fleet Variable Funding Notes and terminated the facility.

In May 2012, Hertz caused its wholly-owned subsidiary HVF to increase the borrowing capacity of its Series 2009-1 U.S. Fleet Variable Funding Notes by \$250 million.

In June 2012, Hertz amended the European Revolving Credit Facility to extend the maturity date from June 2013 to June 2015.

In June 2012, Hertz amended the Brazilian Fleet Financing Facility to extend the maturity date from June 2012 to February 2013.

In June 2012, Hertz amended the European Seasonal Revolving Credit Facility under the European Revolving Credit Facility to create a commitment period running from June 2012 to November 2012 that provides for aggregate maximum borrowings of €85.7 million (the equivalent of \$110.3 million as of September 30, 2012), subject to borrowing base availability.

In July 2012, Hertz caused its subsidiary, International Fleet Financing No. 2 B.V. to amend the European Securitization to extend the maturity from July 2013 to July 2014.

In August 2012, Hertz obtained commitments to make unsecured bridge loans in an aggregate amount of \$ 1.95 billion, or the "Bridge Commitments," in connection with the offer to acquire Dollar Thrifty. The proceeds of the bridge loans, if any, would be used to, among other things, finance a portion of the consideration Dollar Thrifty stockholders would receive in connection with the acquisition of Dollar Thrifty.

For subsequent events relating to our indebtedness, see Note 17—Subsequent Events.

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Registration Rights

Pursuant to the terms of exchange and registration rights agreements entered into in connection with the issuance of \$250 million in aggregate principal amount of the 6.75% Senior Notes due 2019 in March 2012, Hertz has agreed to file a registration statement under the Securities Act of 1933, as amended, to permit either the exchange of such notes for registered notes or, in the alternative, the registered resale of such notes. Hertz plans to enter into an exchange and registration rights agreements in connection with the release from escrow of \$700 million aggregate principal amount of 5.875% Senior Notes due 2020 and \$500 million aggregate principal amount of 6.250% Senior Notes due 2022 issued by its newly-formed, wholly-owned subsidiary, HDTFS, Inc. Hertz expects to agree to file a registration statement under the Securities Act of 1933, as amended, to permit either the exchange of such notes for registered notes or, in the alternative, the registered resale of such notes. Hertz's failure to meet its obligations under either exchange and registration rights agreement, including by failing to have the registration statement become effective by the date that is 365 days after the respective date of the exchange and registration rights agreement or failing to complete the exchange offer by the date that is 395 days after the date of the exchange and registration rights agreement, will result in Hertz incurring special interest on such notes at a per annum rate of 0.25% for the first 90 days of any period where a default has occurred and is continuing, which rate will be increased by an additional 0.25% during each subsequent 90 day period, up to a maximum of 0.50%. We do not believe the special interest obligation is probable, and as such, we have not recorded any amounts with respect to this registration payment arrangement.

Guarantees and Security

There have been no material changes to the guarantees and security provisions of the debt instruments and credit facilities under which our indebtedness as of September 30, 2012 has been issued from the terms disclosed in our Form 10-K.

Financial Covenant Compliance

Under the terms of our Senior Term Facility and Senior ABL Facility, we are not subject to ongoing financial maintenance covenants; however, under the Senior ABL Facility, failure to maintain certain levels of liquidity will subject the Hertz credit group to a contractually specified fixed charge coverage ratio of not less than 1:1 for the four quarters most recently ended. As of September 30, 2012, we were not subject to such contractually specified fixed charge coverage ratio.

Borrowing Capacity and Availability

As of September 30, 2012, the following facilities were available for the use of Hertz and its subsidiaries (in millions of dollars):

	Remaining Capacity	Availability Under Borrowing Base Limitation
<i>Corporate Debt</i>		
Senior ABL Facility	\$ 1,037.3	\$ 1,016.5
Total Corporate Debt	1,037.3	1,016.5
<i>Fleet Debt</i>		
U.S. Fleet Variable Funding Notes	288.1	—
Donlen GN II Variable Funding Notes	105.8	—
U.S. Fleet Financing Facility	31.1	—
European Revolving Credit Facility	—	—
European Securitization	101.3	—
Canadian Securitization	55.8	—
Australian Securitization	97.0	1.2
Capitalized Leases	117.0	—
Total Fleet Debt	796.1	1.2
Total	\$ 1,833.4	\$ 1,017.7

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Our borrowing capacity and availability primarily comes from our "revolving credit facilities," which are a combination of asset-backed securitization facilities and asset-based revolving credit facilities. Creditors under each of our revolving credit facilities have a claim on a specific pool of assets as collateral. Our ability to borrow under each revolving credit facility is a function of, among other things, the value of the assets in the relevant collateral pool. We refer to the amount of debt we can borrow given a certain pool of assets as the "borrowing base."

We refer to "Remaining Capacity" as the maximum principal amount of debt permitted to be outstanding under the respective facility (i.e., the amount of debt we could borrow assuming we possessed sufficient assets as collateral) less the principal amount of debt then-outstanding under such facility.

We refer 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 we could borrow given the collateral we possess at such time).

As of September 30, 2012, the Senior Term Facility had approximately \$0.3 million available under the letter of credit facility and the Senior ABL Facility had \$1,092.3 million available under the letter of credit facility sublimit, subject to borrowing base restrictions.

Substantially all of our revenue earning equipment and certain related assets are owned by special purpose entities, or are encumbered in favor of our lenders under our various credit facilities.

Some of these special purpose entities are consolidated variable interest entities, of which Hertz is the primary beneficiary, whose sole purpose is to provide commitments to lend in various currencies subject to borrowing bases comprised of rental vehicles and related assets of certain of Hertz International, Ltd.'s subsidiaries. As of September 30, 2012 and December 31, 2011, our International Fleet Financing No. 1 B.V., International Fleet Financing No. 2 B.V. and HA Funding Pty, Ltd. variable interest entities had total assets primarily comprised of loans receivable and revenue earning equipment of \$658.5 million and \$456.3 million, respectively, and total liabilities primarily comprised of debt of \$658.0 million and \$455.8 million, respectively.

Note 8—Employee Retirement Benefits

The following table sets forth the net periodic pension and postretirement (including health care, life insurance and auto) expense (in millions of dollars):

	Pension Benefits				Postretirement Benefits (U.S.)	
	U.S.		Non-U.S.			
	Three Months Ended September 30,					
	2012	2011	2012	2011	2012	2011
Components of Net Periodic Benefit Cost:						
Service cost	\$ 5.2	\$ 6.6	\$ 0.3	\$ (0.5)	\$ —	\$ 0.1
Interest cost	7.3	6.6	2.2	2.9	0.2	0.2
Expected return on plan assets	(8.3)	(7.7)	(3.0)	(3.5)	—	—
Net amortizations	2.9	1.1	—	0.1	—	(0.1)
Settlement loss	—	1.5	—	—	—	—
Curtailement gain	—	—	—	—	—	—
Net pension / postretirement expense	<u>\$ 7.1</u>	<u>\$ 8.1</u>	<u>\$ (0.5)</u>	<u>\$ (1.0)</u>	<u>\$ 0.2</u>	<u>\$ 0.2</u>

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	Pension Benefits				Postretirement Benefits (U.S.)	
	U.S.		Non-U.S.			
	Nine Months Ended September 30,					
	2012	2011	2012	2011	2012	2011
Components of Net Periodic Benefit Cost:						
Service cost	\$ 18.5	\$ 19.7	\$ 0.9	\$ 3.0	\$ 0.2	\$ 0.2
Interest cost	21.2	20.6	6.8	8.5	0.6	0.7
Expected return on plan assets	(23.6)	(22.9)	(9.0)	(9.7)	—	—
Net amortizations	8.9	5.4	(0.1)	(0.5)	—	—
Settlement loss	—	2.2	—	—	—	—
Curtailment gain	—	—	—	(13.1)	—	—
Net pension / postretirement expense	\$ 25.0	\$ 25.0	\$ (1.4)	\$ (11.8)	\$ 0.8	\$ 0.9

Our policy for funded plans is to contribute annually, at a minimum, amounts required by applicable laws, regulations and union agreements. From time to time we make contributions beyond those legally required. For the three and nine months ended September 30, 2012, we contributed \$14.5 million and \$46.7 million, respectively, to our worldwide pension plans, including discretionary contributions of \$0 and \$3.2 million, respectively, to our United Kingdom, or "U.K.," defined benefit pension plan and benefit payments made through unfunded plans. For the three and nine months ended September 30, 2011, we contributed \$16.6 million and \$73.7 million, respectively, to our worldwide pension plans, including discretionary contributions of \$0.5 million and \$13.7 million, respectively, to our U.K. defined benefit pension plan and benefit payments made through unfunded plans. The level of future contributions will vary, and is dependent on a number of factors including investment returns, interest rate fluctuations, plan demographics, funding regulations and the results of the final actuarial valuation.

On June 30, 2011, we approved an agreement with the trustees of our U.K. defined benefit pension plan to cease all future benefit accruals to existing members and to close the plan to new members. Effective July 1, 2011, we introduced a defined contribution plan with company matching contributions to replace the U.K. defined benefit pension plan. The company matching contributions are generally 100% of the employee contributions, up to 8% of pay, except that former members of the defined benefit pension plan receive an enhanced match for five years. In the year ended December 31, 2011, we recognized a gain of \$13.1 million for the U.K. plan that represented unamortized prior service cost from a 2010 amendment that eliminated discretionary pension increases related to pre-1997 service primarily for inactive employees.

We also sponsor postretirement health care and life insurance benefits for a limited number of employees with hire dates prior to January 1, 1990. The postretirement health care plan is contributory with participants' contributions adjusted annually. An unfunded liability is recorded. We also have a key officer postretirement car benefit plan that provides the use of a vehicle from our fleet and insurance for the participants' benefit for retired Senior Vice Presidents and above who have a minimum of 20 years of service and who retire at age 58 or above. The assigned car benefit is available for 15 years post-retirement or until the participant reaches the age of 80, whichever occurs last.

We participate in various "multiemployer" pension plans. In the event that we withdraw from participation in one of these plans, then applicable law could require us to make an additional lump-sum contribution to the plan, and we would have to reflect that as an expense in our consolidated statement of operations and as a liability on our condensed consolidated balance sheet. Our withdrawal liability for any multiemployer plan would depend on the extent of the plan's funding of vested benefits. At least one multiemployer plan in which we participate is reported to have, and other of our multiemployer plans could have, significant underfunded liabilities. Such underfunding may increase in the event other employers become insolvent or withdraw from the applicable plan or upon the inability or failure of withdrawing employers to pay their withdrawal liability. In addition, such underfunding may increase as a result of lower than expected returns on pension fund assets or other funding deficiencies. The occurrence of any of these events could have a material adverse effect on our consolidated financial position, results of operations or cash flows.

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Note 9—Stock-Based Compensation

In March 2012, we granted 543,880 Restricted Stock Units, or "RSUs," to certain executives and employees at fair values ranging from \$13.65 to \$14.47, 747,423 Performance Stock Units, or "PSUs," at a fair value of \$13.65, and 1,098,591 PSUs (referred to as Price Vesting Units, or "PVUs") at fair values ranging from \$10.13 to \$11.26 under the Hertz Global Holdings, Inc. 2008 Omnibus Incentive Plan, or the "Omnibus Plan." The PSUs have a performance condition under which the number of units that will ultimately be awarded will vary from 0% to 150% of the original grant, based on 2012 and 2013 Corporate EBITDA results. "EBITDA" means consolidated net income before net interest expense, consolidated income taxes and consolidated depreciation (which includes revenue earning equipment lease charges) and amortization and "Corporate EBITDA," represents EBITDA as adjusted for car rental fleet interest, car rental fleet depreciation and certain other items, as provided in the applicable award agreements. Of the PVUs granted, one half will fully vest after three years if the stock price appreciates 15% over the grant date price, and one half will fully vest after four years if the stock price appreciates 25% over the grant date price. Partial attainment of the stock appreciation targets will result in partial vesting. The achievement of the market condition for the PVUs is determined based on the average closing stock price for the 20 trading day period ending March 6, 2015 and 2016, respectively. In May 2012, we granted 146,301 RSUs at a fair value of \$15.48 and in August 2012, we granted 59,480 RSUs at a fair value of \$12.12.

A summary of the total compensation expense and associated income tax benefits recognized under our Hertz Global Holdings, Inc. Stock Incentive Plan and Hertz Global Holdings, Inc. Director Stock Incentive Plan, or the "Prior Plans," and the Omnibus Plan, including the cost of stock options, RSUs, and PSUs, is as follows (in millions of dollars):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Compensation expense	\$ 7.3	\$ 7.8	\$ 22.3	\$ 24.4
Income tax benefit	(2.8)	(3.0)	(8.6)	(9.4)
Total	\$ 4.5	\$ 4.8	\$ 13.7	\$ 15.0

As of September 30, 2012, there was approximately \$44.4 million of total unrecognized compensation cost related to non-vested stock options, RSUs and PSUs granted by Hertz Holdings under the Prior Plans and the Omnibus Plan. The total unrecognized compensation cost is expected to be recognized over the remaining 1.4 years, on a weighted average basis, of the requisite service period that began on the grant dates.

Note 10—Segment Information

Our operating segments are aggregated into reportable business segments based primarily upon similar economic characteristics, products, services, customers, and delivery methods. We have identified two reportable segments: rental and leasing of cars, crossovers and light trucks, or "car rental," and rental of industrial, construction, material handling and other equipment, or "equipment rental." Other reconciling items include general corporate assets and expenses, certain interest expense (including net interest on corporate debt), as well as other business activities. Donlen is included in the car rental reportable segment.

Adjusted pre-tax income is calculated as income (loss) before income taxes plus non-cash purchase accounting charges, non-cash debt charges relating to the amortization and write-off of debt financing costs and debt discounts and certain one-time charges and non-operational items. Adjusted pre-tax income is important to management because it allows management to assess operational performance of our business, exclusive of the items mentioned above. It also allows management to assess the performance of the entire business on the same basis as the segment measure of profitability. Management believes that it is important to investors for the same reasons it is important to management and because it allows them to assess our operational performance on the same basis that management uses internally. The contribution of our reportable segments to revenues and adjusted pre-tax income (loss) and the reconciliation to consolidated amounts are summarized below (in millions of dollars).

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	Three Months Ended September 30,			
	Revenues		Adjusted Pre-Tax Income (Loss)	
	2012	2011	2012	2011
Car rental	\$ 2,152.6	\$ 2,109.1	\$ 428.7	\$ 375.3
Equipment rental	363.0	321.7	76.2	55.9
Total reportable segments	2,515.6	2,430.8	504.9	431.2
Other	0.6	1.5		
Total	\$ 2,516.2	\$ 2,432.3		
Adjustments:				
Other reconciling items ⁽¹⁾			(80.1)	(84.3)
Purchase accounting ⁽²⁾			(23.9)	(19.1)
Non-cash debt charges ⁽³⁾			(20.5)	(21.0)
Restructuring charges			(1.5)	(1.9)
Restructuring related charges ⁽⁴⁾			(2.0)	(3.2)
Derivative gains ⁽⁵⁾			0.1	0.1
Management transition costs			—	(1.5)
Acquisition related costs			(8.1)	(4.6)
Income before income taxes			\$ 368.9	\$ 295.7

	Nine Months Ended September 30,			
	Revenues		Adjusted Pre-Tax Income (Loss)	
	2012	2011	2012	2011
Car rental	\$ 5,700.4	\$ 5,388.3	\$ 797.8	\$ 678.8
Equipment rental	1,000.1	891.6	144.6	99.5
Total reportable segments	6,700.5	6,279.9	942.4	778.3
Other	1.8	4.7		
Total	\$ 6,702.3	\$ 6,284.6		
Adjustments:				
Other reconciling items ⁽¹⁾			(254.3)	(263.0)
Purchase accounting ⁽²⁾			(76.9)	(62.2)
Non-cash debt charges ⁽³⁾			(66.3)	(108.0)
Restructuring charges			(27.0)	(40.4)
Restructuring related charges ⁽⁴⁾			(7.6)	(6.4)
Derivative gains ⁽⁵⁾			0.1	0.1
Acquisition related costs			(19.6)	(13.6)
Management transition costs			—	(4.0)
Pension adjustment ⁽⁶⁾			—	13.1
Premiums paid on debt ⁽⁷⁾			—	(62.4)
Income before income taxes			\$ 490.8	\$ 231.5

- (1) Represents general corporate expenses, certain interest expense (including net interest on corporate debt), as well as other business activities.
- (2) Represents the purchase accounting effects of the Acquisition on our results of operations relating to increased depreciation and amortization of tangible and intangible assets and accretion of revalued workers' compensation and public liability and property damage liabilities. Also represents the purchase accounting effects of subsequent acquisitions on our results of operations relating to increased depreciation and amortization of tangible and intangible assets.
- (3) Represents non-cash debt charges relating to the amortization and write-off of deferred debt financing costs and debt discounts.

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- (4) Represents incremental costs incurred directly supporting our business transformation initiatives. Such costs include transition costs incurred in connection with our business process outsourcing arrangements and incremental costs incurred to facilitate business process re-engineering initiatives that involve significant organization redesign and extensive operational process changes.
- (5) Represents the mark-to-market adjustment on our interest rate cap.
- (6) Represents a gain for the U.K. pension plan relating to unamortized prior service cost from a 2010 amendment that eliminated discretionary pension increases related to pre-1997 service primarily pertaining to inactive employees.
- (7) Represents premiums paid to redeem our 10.5% Senior Subordinated Notes and a portion of our 8.875% Senior Notes.

Total assets increased \$1,865.6 million from December 31, 2011 to September 30, 2012. The increase was primarily related to increases in our car rental and equipment rental segments' revenue earning equipment and receivables, driven by increased volumes, and an increase in restricted cash and cash equivalents related to the timing of purchases and sales of revenue earning vehicles, partly offset by a decreases in our cash and cash equivalents, primarily relating to the redemption of our 8.875% Senior Notes and our 7.875% Senior Notes.

Note 11—Total Equity

(In Millions)	Preferred Stock	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total Equity
		Shares	Amount					
December 31, 2011	\$ —	417.0	\$ 4.2	\$ 3,206.0	\$ (947.1)	\$ (28.4)	\$ —	\$ 2,234.7
Net income attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders					279.5			279.5
Other comprehensive income						13.6		13.6
Employee stock purchase plan		0.3		3.7				3.7
Net settlement on vesting of restricted stock		2.0		(20.0)				(20.0)
Stock-based employee compensation charges, net of tax				22.2				22.2
Exercise of stock options, net of tax		1.6		7.2				7.2
Common shares issued to Directors				1.4				1.4
September 30, 2012	\$ —	420.9	\$ 4.2	\$ 3,220.5	\$ (667.6)	\$ (14.8)	\$ —	\$ 2,542.3

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(In Millions)	Preferred Stock	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total Equity
		Shares	Amount					
December 31, 2010	\$ —	413.5	\$ 4.1	\$ 3,183.2	\$ (1,123.2)	\$ 37.9	\$ 16.5	\$ 2,118.5
Net income attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders					129.1			129.1
Other comprehensive loss						(12.8)		(12.8)
Net income relating to noncontrolling interest							14.5	14.5
Dividend payment to noncontrolling interest							(10.5)	(10.5)
Employee stock purchase plan		0.2		3.2				3.2
Net settlement on vesting of restricted stock		1.2		(11.4)				(11.4)
Stock-based employee compensation charges, net of tax				24.4				24.4
Exercise of stock options, net of tax		1.6	0.1	12.3				12.4
Common shares issued to Directors		0.2		1.5				1.5
September 30, 2011	\$ —	416.7	\$ 4.2	\$ 3,213.2	\$ (994.1)	\$ 25.1	\$ 20.5	\$ 2,268.9

Accumulated other comprehensive loss as of September 30, 2012 and December 31, 2011 includes accumulated translation gains of \$95.0 million and \$91.3 million, respectively, pension benefits (expense) of \$(94.5) million and \$(99.6) million, respectively, unrealized losses on our Euro-denominated debt of \$(19.4) million and \$(19.4) million, respectively, unrealized holding gains of \$5.1 million and \$0.3 million, respectively, and other of \$(1.0) million and \$(1.0) million, respectively.

Note 12—Restructuring

As part of our ongoing effort to implement our strategy of reducing operating costs, we have evaluated our workforce and operations and made adjustments, including headcount reductions and business process reengineering resulting in optimized work flow at rental locations and maintenance facilities as well as streamlined our back-office operations and evaluated potential outsourcing opportunities. When we made adjustments to our workforce and operations, we incurred incremental expenses that delay the benefit of a more efficient workforce and operating structure, but we believe that increased operating efficiency and reduced costs associated with the operation of our business are important to our long-term competitiveness.

During 2007 through 2011, we announced several initiatives to improve our competitiveness and industry leadership through targeted job reductions. These initiatives included, but were not limited to, job reductions at our corporate headquarters and back-office operations in the U.S. and Europe. As part of our re-engineering optimization we outsourced selected functions globally. In addition, we streamlined operations and reduced costs by initiating the closure of targeted car rental locations and equipment rental branches throughout the world. The largest of these closures occurred in 2008 which resulted in closures of approximately 250 off-airport locations and 22 branches in our U.S. equipment rental business. These initiatives impacted approximately 8,960 employees.

During the first, second and third quarters of 2012, we continued to streamline operations and reduce costs with the closure of several car rental and equipment rental locations globally as well as a reduction in our workforce by

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approximately 65 employees, 280 employees and 240 employees, respectively.

From January 1, 2007 through September 30, 2012, we incurred \$557.5 million (\$273.5 million for our car rental segment, \$229.5 million for our equipment rental segment and \$54.5 million of other) of restructuring charges.

Additional efficiency and cost saving initiatives are being developed; however, we presently do not have firm plans or estimates of any related expenses.

Restructuring charges in our consolidated statement of operations can be summarized as follows (in millions of dollars).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
By Type:				
Termination benefits	\$ 0.3	\$ 2.4	\$ 16.5	\$ 6.8
Pension and post retirement expense	—	—	—	0.3
Consultant costs	0.1	0.3	0.7	0.6
Asset writedowns	—	(0.5)	2.7	22.8
Facility closure and lease obligation costs	0.9	(0.4)	6.6	9.6
Relocation costs and temporary labor costs	0.1	0.1	0.1	0.1
Other	0.1	—	0.4	0.2
Total	\$ 1.5	\$ 1.9	\$ 27.0	\$ 40.4

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
By Caption:				
Direct operating	\$ 3.7	\$ 0.7	\$ 18.3	\$ 35.3
Selling, general and administrative	(2.2)	1.2	8.7	5.1
Total	\$ 1.5	\$ 1.9	\$ 27.0	\$ 40.4

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
By Segment:				
Car rental	\$ 0.2	\$ 2.8	\$ 17.2	\$ 7.3
Equipment rental	1.3	(0.9)	8.1	32.7
Other reconciling items	—	—	1.7	0.4
Total	\$ 1.5	\$ 1.9	\$ 27.0	\$ 40.4

During the three and nine months ended September 30, 2012, the after-tax effect of the restructuring charges decreased diluted earnings per share by \$0.01 and \$0.05, respectively. During the three and nine months ended September 30, 2011, the after-tax effect of the restructuring charges decreased diluted earnings per share by \$0.00 and \$0.06, respectively.

The following table sets forth the activity affecting the restructuring accrual during the nine months ended September 30, 2012 (in millions of dollars). We expect to pay the remaining restructuring obligations relating to termination benefits over the next twelve months. The remainder of the restructuring accrual relates to future lease obligations which will be paid over the remaining term of the applicable leases.

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	Termination Benefits	Pension and Post Retirement Expense	Consultant Costs	Other	Total
Balance as of January 1, 2012	\$ 9.1	\$ 0.2	\$ 0.6	\$ 11.7	\$ 21.6
Charges incurred	16.5	—	0.7	9.8	27.0
Cash payments	(14.0)	—	(0.5)	(4.0)	(18.5)
Other ⁽¹⁾	(0.3)	—	(0.1)	(8.9)	(9.3)
Balance as of September 30, 2012	<u>\$ 11.3</u>	<u>\$ 0.2</u>	<u>\$ 0.7</u>	<u>\$ 8.6</u>	<u>\$ 20.8</u>

(1) Primarily consists of decreases of \$6.4 million for facility closures and \$2.7 million for asset writedowns.

Note 13—Financial Instruments

Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

Fair value approximates the amount indicated on the balance sheet at September 30, 2012 and December 31, 2011 because of the short-term maturity of these instruments. Money market accounts, whose fair value at September 30, 2012, is measured using Level 1 inputs, totaling \$65.4 million and \$300.4 million are included in "Cash and cash equivalents" and "Restricted cash and cash equivalents," respectively. Money market accounts, whose fair value at December 31, 2011, is measured using Level 1 inputs, totaling \$566.0 million and \$142.9 million are included in "Cash and cash equivalents" and "Restricted cash and cash equivalents," respectively.

Marketable Securities

Marketable securities held by us consist of equity securities classified as available-for-sale, which are carried at fair value and are included within "Prepaid expenses and other assets." Unrealized gains and losses, net of related income taxes, are included in "Accumulated other comprehensive loss." As of September 30, 2012 and December 31, 2011, the fair value of marketable securities was \$41.1 million and \$33.2 million, respectively. For the three and nine months ended September 30, 2012, unrealized gains of \$2.8 million and \$7.9 million, respectively, were recorded in "Accumulated other comprehensive loss." For the three and nine months ended September 30, 2011, unrealized gains of \$8.2 million and \$6.3 million, respectively, were recorded in "Accumulated other comprehensive loss." Fair values for marketable securities are based on Level 1 inputs consisting of quoted market prices.

Debt

For borrowings with an initial maturity of 93 days or less, fair value approximates carrying value because of the short-term nature of these instruments. For all other debt, fair value is estimated based on quoted market rates as well as borrowing rates currently available to us for loans with similar terms and average maturities (Level 2 inputs). The aggregate fair value of all debt at September 30, 2012 was \$13,465.8 million, compared to its aggregate unpaid principal balance of \$12,771.6 million. The aggregate fair value of all debt at December 31, 2011 was \$11,832.5 million, compared to its aggregate unpaid principal balance of \$11,400.3 million.

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Derivative Instruments and Hedging Activities

The following table summarizes our financial assets and liabilities measured at fair value on a recurring basis (in millions of dollars):

	Fair Value of Derivative Instruments ⁽¹⁾			
	Asset Derivatives ⁽²⁾		Liability Derivatives ⁽²⁾	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Derivatives not designated as hedging instruments under ASC 815:				
Gasoline swaps	\$ 0.3	\$ —	\$ —	\$ 0.4
Interest rate caps	—	0.5	—	0.4
Foreign exchange forward contracts	4.2	4.4	3.3	1.9
Interest rate swaps	—	—	—	0.2
Foreign exchange options	0.1	0.1	—	—
Total derivatives not designated as hedging instruments under ASC 815	\$ 4.6	\$ 5.0	\$ 3.3	\$ 2.9

(1) All fair value measurements were primarily based upon significant observable (Level 2) inputs.

(2) All asset derivatives are recorded in "Prepaid expenses and other assets" and all liability derivatives are recorded in "Accrued liabilities" on our condensed consolidated balance sheets.

	Location of Gain or (Loss) Recognized on Derivatives	Amount of Gain or (Loss) Recognized in Income on Derivatives	
		Three Months Ended September 30,	
		2012	2011
Derivatives not designated as hedging instruments under ASC 815:			
Gasoline swaps	Direct operating	\$ 2.1	\$ (1.9)
Interest rate caps	Selling, general and administrative	—	0.1
Foreign exchange forward contracts	Selling, general and administrative	(6.2)	11.3
Foreign exchange options	Selling, general and administrative	—	(0.1)
Total		\$ (4.1)	\$ 9.4

	Location of Gain or (Loss) Recognized on Derivatives	Amount of Gain or (Loss) Recognized in Income on Derivatives	
		Nine Months Ended September 30,	
		2012	2011
Derivatives not designated as hedging instruments under ASC 815:			
Gasoline swaps	Direct operating	\$ 0.6	\$ 1.0
Interest rate caps	Selling, general and administrative	(0.1)	0.1
Foreign exchange forward contracts	Selling, general and administrative	(11.8)	3.4
Foreign exchange options	Selling, general and administrative	0.1	(0.1)
Total		\$ (11.2)	\$ 4.4

In conjunction with the refinanced Series 2009-1 and the Series 2010-2, HVF purchased an interest rate cap for \$6.7 million, with a maximum notional amount equal to the refinanced Series 2009-1 and the Series 2010-2 with a combined

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maximum principal amount of \$2.1 billion, a strike rate of 5% and expected maturity date of March 25, 2013. Additionally, Hertz sold a 5% interest rate cap for \$6.2 million, with a matching notional amount and term to the HVF interest rate cap. In March 2012, an additional \$250 million of the Series 2009-1 notes was issued, for which HVF and Hertz amended their interest rate cap agreements to increase the maximum notional amounts by \$250 million. Also, in December 2010, the Australian Securitization was completed and our Australian operating subsidiary purchased an interest rate cap for \$0.5 million, with a maximum notional amount equal to the Australian Securitization maximum principal amount of A\$250 million, a strike rate of 7% and expected maturity date of December 2012. Additionally, Hertz sold a 7% interest rate cap for \$0.4 million with a matching notional amount and term to the Australian operating subsidiary's interest rate cap. The fair values of all interest rate caps were calculated using a discounted cash flow method and applying observable market data (i.e. the 1-month LIBOR yield curve and credit default swap spreads). Gains and losses resulting from changes in the fair value of these interest rate caps are included in our results of operations in the periods incurred.

In connection with our acquisition of Donlen, we acquired interest rate swaps associated with floating rate debt. As of September 30, 2012, these interest rate swaps have expired. These interest rate swaps are used to effectively convert an amount of floating rate debt into fixed rate debt. The fair values of these interest rate swaps were calculated using a discounted cash flow method and applying observable market data (i.e. the 1-month LIBOR yield curve). Gains and losses resulting from changes in the fair value of these interest rate swaps are included in our results of operations in the periods incurred (in Selling, general and administrative).

We purchase unleaded gasoline and diesel fuel at prevailing market rates and maintain a program to manage our exposure to changes in fuel prices through the use of derivative commodity instruments. We currently have in place swaps to cover a portion of our fuel price exposure through November 2013. We presently hedge a portion of our overall unleaded gasoline and diesel fuel purchases with commodity swaps and have contracts in place that settle on a monthly basis. As of September 30, 2012, our outstanding commodity instruments for unleaded gasoline and diesel fuel totaled approximately 7.8 million gallons and 1.5 million gallons, respectively. The fair value of these commodity instruments was calculated using a discounted cash flow method and applying observable market data (including NYMEX RBOB Gasoline and U.S. Department of Energy surveys). Gains and losses resulting from changes in the fair value of these commodity instruments are included in our results of operations in the periods incurred.

We manage our foreign currency risk primarily by incurring, to the extent practicable, operating and financing expenses in the local currency in the countries in which we operate, including making fleet and equipment purchases and borrowing locally. Also, we have purchased foreign exchange options to manage exposure to fluctuations in foreign exchange rates for selected marketing programs. The effect of exchange rate changes on these financial instruments would not materially affect our consolidated financial position, results of operations or cash flows. Our risks with respect to foreign exchange options are limited to the premium paid for the right to exercise the option and the future performance of the option's counterparty. Premiums paid for options outstanding as of September 30, 2012, were approximately \$0.2 million. We limit counterparties to the transactions to financial institutions that have strong credit ratings. As of September 30, 2012 and December 31, 2011, the total notional amount of these foreign exchange options was \$45.0 million and \$9.1 million, respectively. As of September 30, 2012, these foreign exchange options mature through January 2014. The fair value of the foreign exchange options was calculated using a discounted cash flow method and applying observable market data (i.e. foreign currency exchange rates). Gains and losses resulting from changes in the fair value of these options are included in our results of operations in the periods incurred.

We also manage exposure to fluctuations in currency risk on intercompany loans we make to certain of our subsidiaries by entering into foreign currency forward contracts at the time of the loans which are intended to offset the impact of foreign currency movements on the underlying intercompany loan obligations. As of September 30, 2012, the total notional amount of these forward contracts was \$986.9 million, maturing within four months. The fair value of these foreign currency forward contracts was calculated based on foreign currency forward exchange rates.

Note 14—Related Party Transactions

Relationship with Hertz Investors, Inc. and the Sponsors

Other than as disclosed below, in the nine months ended September 30, 2012, there were no material changes to our relationship with Hertz Investors, Inc. or the Sponsors.

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Financing Arrangements with Related Parties

Affiliates of MLGPE (which is one of the Sponsors), including Bank of America and certain of its affiliates, have provided various investment and commercial banking and financial advisory services to us for which they have received customary fees and commissions. In addition, these parties have acted as agents, lenders, purchasers and/or underwriters to us under our respective financing arrangements, for which they have received customary fees, commissions, expenses and/or other compensation. More specifically, these parties have acted in the following capacities, or similar capacities, with respect to our financing arrangements: lenders and/or agents under the Senior Credit Facilities, the U.S. Fleet Financing Facility and certain of the U.S. Fleet Variable Funding Notes; purchasers and/or underwriters under the Senior Notes and certain of the U.S. Fleet Medium Term Notes; and structuring advisors and/or agents under the U.S. ABS Program.

As of September 30, 2012 and December 31, 2011, approximately \$185 million and \$174 million, respectively, of our outstanding debt was with related parties.

For information on our total indebtedness, see Note 7—Debt.

Note 15—Contingencies and Off-Balance Sheet Commitments

Off-Balance Sheet Commitments

As of September 30, 2012 and December 31, 2011, the following guarantees (including indemnification commitments) were issued and outstanding.

Indemnification Obligations

In the ordinary course of business, we execute 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. Performance under these indemnification obligations would generally be triggered by a breach of terms of the contract or by a third party claim. 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. The types of indemnification obligations for which payments are possible include the following:

Sponsors; Directors

Hertz has entered into customary indemnification agreements with Hertz Holdings, the Sponsors and our stockholders affiliated with the Sponsors, pursuant to which Hertz Holdings and Hertz will indemnify the Sponsors, our stockholders affiliated with the Sponsors 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 the Sponsors and certain other claims and liabilities, including liabilities arising out of financing arrangements or securities offerings. We also entered into indemnification agreements with each of our directors. We do not believe that these indemnifications are reasonably likely to have a material impact on us.

Environmental

We have 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 we may be held responsible could be substantial. The probable expenses that we expect to incur for such matters have been accrued, and those expenses are reflected in our condensed consolidated financial statements. As of September 30, 2012 and December 31, 2011, the aggregate amounts accrued for environmental liabilities including liability for environmental indemnities, reflected in our condensed consolidated balance sheets in "Accrued liabilities" were \$1.5 million and \$1.5 million, respectively. The accrual generally represents the estimated cost to study potential environmental issues at sites deemed to require investigation or clean-up activities, and the estimated cost to implement remediation actions, including on-going maintenance, as required. Cost estimates are developed by site. Initial cost estimates are based on historical experience at similar sites and are refined over time on the basis of in-depth studies of the sites. For many sites, the remediation costs and other damages

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
Unaudited

for which we ultimately may be responsible cannot be reasonably estimated because of uncertainties with respect to factors such as our connection to the site, the materials there, the involvement of other potentially responsible parties, the application of laws and other standards or regulations, site conditions, and the nature and scope of investigations, studies, and remediation to be undertaken (including the technologies to be required and the extent, duration, and success of remediation).

Legal Proceedings

From time to time we are a party to various legal proceedings. We are currently a defendant in numerous actions and have received numerous claims on which actions have not yet been commenced for public liability and property damage arising from the operation of motor vehicles and equipment rented from us and our licensees. The obligation for public liability and property damage on self-insured U.S. and international vehicles and equipment, as stated on our balance sheet, represents an estimate for both reported accident claims not yet paid and claims incurred but not yet reported. The related liabilities are recorded on a non-discounted basis. Reserve requirements are based on actuarial evaluations of historical accident claim experience and trends, as well as future projections of ultimate losses, expenses, premiums and costs. At September 30, 2012 and December 31, 2011 our liability recorded for public liability and property damage matters was \$279.8 million and \$281.5 million, respectively. We believe that our analysis is based on the most relevant information available, combined with reasonable assumptions, and that we may prudently rely on this information to determine the estimated liability. We note the liability is subject to significant uncertainties. The adequacy of the liability reserve is regularly monitored based on evolving accident claim history and insurance related state legislation changes. If our estimates change or if actual results differ from these assumptions, the amount of the recorded liability is adjusted to reflect these results.

For a detailed description of certain of our legal proceedings please see Note 11 of the Notes to our audited annual consolidated financial statements included in our Form 10-K under the caption "Item 8—Financial Statements and Supplementary Data."

There were no material changes in the legal proceedings described in our Form 10-K and in our subsequent quarterly reports on Form 10-Q.

As previously disclosed, on June 15, 2011 we received a subpoena from the staff of the Securities and Exchange Commission, or "SEC," seeking production of documents related to our proposed business combination with Dollar Thrifty Automotive Group, Inc. SEC staff later took the testimony of a Hertz executive and has indicated that they may or may not take further testimony. We are cooperating fully with the SEC's investigation. We do not expect this investigation to have any effect on a proposed business combination with Dollar Thrifty.

In addition to the above mentioned and those described in our Form 10-K or in our other filings with Securities and Exchange Commission, various other legal actions, claims and governmental inquiries and proceedings are pending or may be instituted or asserted in the future against us and our subsidiaries. Other than with respect to the aggregate claims for public liability and property damage pending against us, management, based on the advice of legal counsel, does not believe that any of the matters resolved, or pending against us, are material to us and our subsidiaries taken as a whole.

We have established reserves for matters where we believe that the losses are probable and reasonably estimated. Other than with respect to the aggregate reserve established for claims for public liability and property damage, none of those reserves are material. For matters where we have 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. Litigation is subject to many uncertainties and the outcome of the individual litigated matters is not predictable with assurance. It is possible that certain of the actions, claims, inquiries or proceedings, including those discussed in our Form 10-K or in our other filings with Securities and Exchange Commission, could be decided unfavorably to us or any of our 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 our consolidated financial condition, results of operations or cash flows in any particular reporting period.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Note 16—Earnings Per Share

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

The following table sets forth the computation of basic and diluted loss per share (in millions of dollars, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Basic and diluted earnings per share:				
Numerator:				
Net income attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders	\$ 242.9	\$ 206.7	\$ 279.5	\$ 129.1
Denominator:				
Weighted average shares used in basic computation	420.6	416.6	419.6	415.6
Add: Stock options, RSUs and PSUs	4.0	6.4	5.0	8.0
Add: Potential issuance of common stock upon conversion of Convertible Senior Notes	20.9	17.9	22.5	23.7
Weighted average shares used in diluted computation	445.5	440.9	447.1	447.3
Earnings per share attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders, basic	\$ 0.58	\$ 0.50	\$ 0.67	\$ 0.31
Earnings per share attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders, diluted	\$ 0.55	\$ 0.47	\$ 0.63	\$ 0.29

Diluted earnings per share computations for the three and nine months ended September 30, 2012 excluded the weighted-average impact of the assumed exercise of approximately 5.3 million and 5.1 million shares, respectively, of stock options, RSUs and PSUs, because such impact would be antidilutive. Diluted earnings per share computations for the three and nine months ended September 30, 2011 excluded the weighted-average impact of the assumed exercise of approximately 8.9 million and 5.1 million shares, respectively, of stock options, RSUs and PSUs, because such impact would be antidilutive.

Note 17—Subsequent Events

In October 2012, Hertz entered into an amendment to our Senior Term Facility providing for commitments for \$ 750 million of loans under the Senior Term Facility. Hertz currently expects to incur incremental term loans, or the "Incremental Term Loans," under such commitments in an aggregate principal amount of \$ 750 million.

In October 2012, HDTFS, Inc., a newly-formed, wholly-owned subsidiary of Hertz issued and sold \$ 700 million aggregate principal amount of 5.875% Senior Notes due 2020 and \$500 million aggregate principal amount of 6.250% Senior Notes due 2022 in a private offering. The gross proceeds of the offering are being held in an escrow account until the date on which we successfully complete the acquisition of Dollar Thrifty.

In connection with the amendment to the Senior Term Facilities and the issuances of the Senior Notes, Hertz terminated \$ 1.95 billion of the Bridge Commitments.

In October 2012, Hertz caused its wholly-owned subsidiary GN Funding II L.L.C. to extend the maturity date of the Donlen GN II Variable Funding Notes from December 2012 to December 2013.

In October 2012, Hertz caused its wholly-owned subsidiary HA Fleet Pty Limited to amend the Australian Securitization to extend the maturity from December 2012 to December 2014.

In October 2012, Hertz caused its wholly-owned subsidiary HVF to amend Series 2009-1 of its U.S. Fleet Variable

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Funding Notes to extend the maturity date from March 2013 to March 2014.

On October 29, 2012, Hertz Holdings announced that Gary Rappeport, the CEO of Donlen will be retiring at the end of 2012. Mr. Rappeport will be succeeded by Donlen's current President and COO, Tom Callahan, on January 1, 2013. Tom will become Vice President, Hertz Holdings and President, Donlen and he will report directly to Hertz Chairman and CEO Mark P. Frissora.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information that we believe to be relevant to an understanding of our consolidated financial condition and results of operations. Unless the context otherwise requires, in this Report on Form 10-Q, (i) "Hertz Holdings" means Hertz Global Holdings, Inc., our top-level holding company, (ii) "Hertz" means The Hertz Corporation, our primary operating company and a direct wholly-owned subsidiary of Hertz Investors, Inc., which is wholly-owned by Hertz Holdings, (iii) "we," "us" and "our" mean Hertz Holdings and its consolidated subsidiaries, including Hertz, (iv) "HERC" means Hertz Equipment Rental Corporation, Hertz's wholly-owned equipment rental subsidiary, together with our various other wholly-owned international subsidiaries that conduct our industrial, construction and material handling equipment rental business, (v) "cars" means cars, crossovers and light trucks (including sport utility vehicles and, outside North America, light commercial vehicles), (vi) "program cars" means cars purchased by car rental companies under repurchase or guaranteed depreciation programs with car manufacturers, (vii) "non-program cars" means cars not purchased under repurchase or guaranteed depreciation programs for which the car rental company is exposed to residual risk and (viii) "equipment" means industrial, construction and material handling equipment.

You should read the following discussion and analysis together with the section below entitled "Cautionary Note Regarding Forward-Looking Statements," with the financial statements and the related notes thereto contained elsewhere in this Form 10-Q, or this "Report."

Cautionary Note Regarding Forward-Looking Statements

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

Some important factors that could affect our actual results include, among others, those that may be disclosed from time to time in subsequent reports filed with the SEC, those described under "Item 1A—Risk Factors" included in Hertz Global Holding, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2011, filed with the SEC, on February 27, 2012, or our "Form 10-K" and the following:

- our ability to obtain regulatory approval for and to consummate an acquisition of Dollar Thrifty Automotive Group, or "Dollar Thrifty";*
- the risk that expected synergies, operational efficiencies and cost savings from an acquisition of Dollar Thrifty may not be fully realized or realized within the expected time frame;*
- the operational and profitability impact of divestitures that may be required to be undertaken to secure regulatory approval for an acquisition of Dollar Thrifty;*
- levels of travel demand, particularly with respect to airline passenger traffic in the United States and in global markets;*
- significant changes in the competitive environment, including as a result of industry consolidation, and the effect of competition in our markets, including on our pricing policies or use of incentives;*
- occurrences that disrupt rental activity during our peak periods;*
- our ability to achieve cost savings and efficiencies and realize opportunities to increase productivity and profitability;*
- an increase in our fleet costs as a result of an increase in the cost of new vehicles and/or a decrease in the price at which we dispose of used vehicles either in the used vehicle market or under repurchase or guaranteed depreciation programs;*

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

- *our ability to accurately estimate future levels of rental activity and adjust the size of our fleet accordingly;*
- *our ability to maintain sufficient liquidity and the availability to us of additional or continued sources of financing for our revenue earning equipment and to refinance our existing indebtedness;*
- *safety recalls by the manufacturers of our vehicles and equipment;*
- *a major disruption in our communication or centralized information networks;*
- *financial instability of the manufacturers of our vehicles and equipment;*
- *any impact on us from the actions of our licensees, franchisees, dealers and independent contractors;*
- *our ability to maintain profitability during adverse economic cycles and unfavorable external events (including war, terrorist acts, natural disasters and epidemic disease);*
- *shortages of fuel and increases or volatility in fuel costs;*
- *our ability to successfully integrate acquisitions and complete dispositions;*
- *our ability to maintain favorable brand recognition;*
- *costs and risks associated with litigation;*
- *risks related to our indebtedness, including our substantial amount of debt, our ability to incur substantially more debt and increases in interest rates or in our borrowing margins;*
- *our ability to meet the financial and other covenants contained in our Senior Credit Facilities, our outstanding unsecured Senior Notes and certain asset-backed and asset-based arrangements;*
- *changes in accounting principles, or their application or interpretation, and our ability to make accurate estimates and the assumptions underlying the estimates, which could have an effect on earnings;*
- *changes in existing or the adoption of new laws, regulations, policies or other activities of governments, agencies and similar organizations where such actions may affect our operations, the cost thereof or applicable tax rates;*
- *changes to our senior management team;*
- *the effect of tangible and intangible asset impairment charges;*
- *the impact of our derivative instruments, which can be affected by fluctuations in interest rates and commodity prices;*
- *our exposure to fluctuations in foreign exchange rates; and*
- *other risks described from time to time in periodic and current reports that we file with the SEC.*

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

Corporate History

Hertz Holdings was incorporated in Delaware in 2005 to serve as the top-level holding company for the consolidated Hertz business. Hertz was incorporated in Delaware in 1967. Hertz is a successor to corporations that have been engaged in the car and truck rental and leasing business since 1918 and the equipment rental business since 1965. Ford Motor Company acquired an ownership interest in Hertz in 1987. Prior to this, Hertz was a subsidiary of United Continental Holdings, Inc. (formerly Allegis Corporation), which acquired Hertz's outstanding capital stock from RCA Corporation in 1985.

On December 21, 2005, investment funds associated with or designated by:

- Clayton, Dubilier & Rice, Inc., which was succeeded by Clayton, Dubilier & Rice, LLC, or "CD&R,"
- The Carlyle Group, or "Carlyle," and
- Merrill Lynch Global Private Equity, Inc., or "MLGPE,"

acquired all of Hertz's common stock from Ford Holdings LLC. In January 2009, Bank of America Corporation, or "Bank of America," acquired Merrill Lynch & Co., Inc., the former parent company of MLGPE. Accordingly, Bank of America is now an indirect beneficial owner of our common stock held by the investment funds associated with MLGPE. We refer to CD&R, Carlyle and MLGPE collectively as the "Sponsors." We refer to the acquisition of all of Hertz's common

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

stock by the Sponsors as the "Acquisition."

After giving effect to our initial public offering in November 2006 and subsequent offerings, the Sponsors' holdings represent approximately 38% of the outstanding shares of common stock of Hertz Holdings as of September 30, 2012.

Overview of Our Business

We are engaged principally in the business of renting and leasing of cars and equipment.

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

- Car rental revenues (revenues from all company-operated car rental and fleet leasing operations and management services, including charges to customers for the reimbursement of costs incurred relating to airport concession fees and vehicle license fees, the fueling of vehicles and the sale of loss or collision damage waivers, liability insurance coverage and other products);
- Equipment rental revenues (revenues from all company-operated equipment rental operations, including amounts charged to customers for the fueling and delivery of equipment and sale of loss damage waivers, as well as revenues from the sale of new equipment and consumables); and
- Other revenues (primarily relating to fees and certain cost reimbursements from our licensees).

Our expenses primarily consist of:

- Direct operating expenses (primarily wages and related benefits; commissions and concession fees paid to airport authorities, travel agents and others; facility, self-insurance and reservation costs; the cost of new equipment and consumables purchased for resale; and other costs relating to the operation and rental of revenue earning equipment, such as damage, maintenance and fuel costs);
- Depreciation expense and lease charges relating to revenue earning equipment (including net gains or losses on the disposal of such equipment). Revenue earning equipment includes cars and rental equipment;
- Selling, general and administrative expenses (including advertising); and
- Interest expense.

Our profitability is primarily a function of the volume, mix and pricing of rental transactions and the utilization of cars and equipment. Significant changes in the purchase price or residual values of cars and equipment or interest rates can have a significant effect on our profitability depending on our ability to adjust pricing for these changes. We continue to balance our mix of non-program and program vehicles based on market conditions. Our business requires significant expenditures for cars and equipment, and consequently we require substantial liquidity to finance such expenditures. See "Liquidity and Capital Resources" below.

Car Rental

In the U.S., as of September 30, 2012, the percentage of non-program cars was 86% as compared to 70% as of September 30, 2011. Internationally, as of September 30, 2012, the percentage of non-program cars was 65%, compared to 61% as of September 30, 2011. In the U.S., as of December 31, 2011, the percentage of non-program cars was 79% as compared to 72% as of December 31, 2010. Internationally, as of December 31, 2011, the percentage of non-program cars was 75%, compared to 70% as of December 31, 2010.

In recent periods we have decreased the percentage of program cars in our car rental fleet. Non-program cars typically have lower acquisition costs and lower depreciation rates than comparable program cars. With fewer program cars in our fleet, we have an increased risk that the market value of a car at the time of its disposition will be less than its estimated residual value. However, non-program cars allow us the opportunity for ancillary revenue, such as warranty and financing, during disposition. Program cars generally provide us with flexibility to reduce the size of our fleet by returning cars sooner than originally expected without risk of loss in the event of an economic downturn or to respond to changes in rental demand. This flexibility is reduced as the percentage of non-program cars in our car rental fleet increases. Furthermore, it is expected that the average age of our fleet will increase since the average holding period for non-program vehicles is longer than program vehicles. However, the longer holding period does not necessarily equate to higher costs due to the stringent turnback requirements imposed by vehicle manufacturers for program cars.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

In the nine months ended September 30, 2012, our monthly per vehicle depreciation costs decreased as compared to the prior year period due to improved residual values in the U.S., a continued move towards a greater proportion of non-program vehicles, mix optimization and improved procurement and remarketing efforts.

Depreciation rates are reviewed on a quarterly basis based on management's routine review of present and estimated future market conditions and their effect on residual values at the time of disposal. During the nine months ended September 30, 2012, depreciation rates being used to compute the provision for depreciation of revenue earning equipment were adjusted on certain vehicles in our car rental operations to reflect changes in the estimated residual values to be realized when revenue earning equipment is sold. These depreciation rate changes resulted in net decreases of \$59.4 million and \$96.7 million in depreciation expense for the three and nine months ended September 30, 2012, respectively.

For the three months ended September 30, 2012 and 2011, our worldwide car rental operations sold approximately 37,100 and 46,000 non-program cars, respectively, a 19.4% year over year decrease. The year over year decrease was primarily due to the stronger than normal car sales market in the third quarter of 2011 resulting from the shortage of new and used vehicles, caused primarily by the events in Japan. In addition, rental demand was stronger compared with the same prior year period, which reduced required defleeting non-program cars sales volume. For the nine months ended September 30, 2012 and 2011, our worldwide car rental operations sold approximately 123,000 and 121,700 non-program cars, respectively, a 1.1% year over year increase. This year over year increase was due to strong car sales during the first half of 2012, offset by a decrease in the third quarter for the reasons stated earlier. We believe the residual values have remained fairly strong primarily due to continued short supply of recent model year used vehicles and aided by strong new vehicle sales.

For the nine months ended September 30, 2012, we experienced an 8.5% increase in transaction days versus the prior period in the United States while rental rate revenue per transaction day, or "RPD," declined by 3.4%. During the nine months ended September 30, 2012, in our European operations, we experienced a 2.8% decline in transaction days and a 2.7% decline in RPD when compared to the nine months ended September 30, 2011.

Our U.S. off-airport operations represented \$981.3 million and \$908.9 million of our total car rental revenues in the nine months ended September 30, 2012 and 2011, respectively. As of September 30, 2012, we have approximately 2,430 off-airport locations. Our strategy includes selected openings of new off-airport locations, the disciplined evaluation of existing locations and the pursuit of same-store sales growth. Our strategy also includes increasing penetration in the off-airport market and growing the online leisure market, particularly in the longer length weekly sector, which is characterized by lower vehicle costs and lower transaction costs at a lower RPD. Increasing our penetration in these sectors is consistent with our long-term strategy to generate profitable growth. When we open a new off-airport location, we incur a number of costs, including those relating to site selection, lease negotiation, recruitment of employees, selection and development of managers, initial sales activities and integration of our systems with those of the companies who will reimburse the location's replacement renters for their rentals. A new off-airport location, once opened, takes time to generate its full potential revenues and, as a result, revenues at new locations do not initially cover their start-up costs and often do not, for some time, cover the costs of their ongoing operations.

On September 1, 2011, Hertz acquired 100% of the equity interest in Donlen, a leading provider of fleet leasing and management services for corporate fleets. For the three and nine months ended September 30, 2012, Donlen had an average of approximately 153,200 and 146,900 vehicles, respectively, under lease and management. Donlen provides Hertz an immediate leadership position in long-term car, truck and equipment leasing and fleet management. Donlen's fleet management programs provide outsourced solutions to reduce fleet operating costs and improve driver productivity. These programs include administration of preventive maintenance, advisory services, and fuel and accident management along with other complementary services. Additionally, Donlen brings to Hertz a specialized consulting and technology expertise that will enable us to model, measure and manage fleet performance more effectively and efficiently.

As of September 30, 2012, our worldwide car rental operations had a total of approximately 8,800 corporate and licensee locations in approximately 150 countries in North America, Europe, Latin America, Asia, Australia, Africa, the Middle East and New Zealand.

On August 26, 2012, Hertz Holdings, HDTMS, Inc., a wholly owned subsidiary of Hertz Holdings, and Dollar Thrifty Automotive Group, Inc., a Delaware corporation, or "Dollar Thrifty," entered into an Agreement and Plan of Merger, or the "Merger Agreement," pursuant to which Hertz Holdings would acquire Dollar Thrifty for \$87.50 per share, net to

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

the seller in cash, without any interest and less any required withholding taxes, in a transaction valued at a corporate enterprise value of approximately \$2.3 billion. After taking into account our use of approximately \$400 million of cash and cash equivalents available from Dollar Thrifty, we expect to use approximately \$345 million of our cash and cash equivalents to consummate the acquisition of Dollar Thrifty and to finance the remaining \$1.95 billion through a combination of \$750 million in incremental term loans under our Senior Term Facility and \$1.2 billion in senior notes which was raised in October 2012. The boards of directors of both companies have unanimously approved the transaction. The transaction has been structured as a two-step acquisition including a cash tender offer for all outstanding shares of Dollar Thrifty common stock followed by a cash merger in which Hertz Holdings would acquire any remaining outstanding shares of Dollar Thrifty common stock. The transaction is subject to the tender of at least a majority of the shares of Dollar Thrifty common stock, as well as other customary closing conditions. The successful completion of the transaction is also subject to regulatory clearance by the Federal Trade Commission. Hertz Holdings has also reached a definitive agreement with Adreca Holdings Corp., a subsidiary of Macquarie Capital which is expected to be operated by Franchise Services of North America Inc., to sell the Advantage Rent A Car business, selected Dollar Thrifty airport concessions and certain other assets. The closing of that divestiture is conditioned upon, among other things, Hertz Holdings completing an acquisition of Dollar Thrifty. Hertz Holdings estimates that it would realize a loss before income taxes of approximately \$30 million to \$35 million as a result of this divestiture. We can offer no assurance that the Merger Agreement will be consummated.

As of September 30, 2012, the Advantage business was classified as held and used as the sale transaction was not probable and was contingent upon acquisition of Dollar Thrifty as of such date. Hertz's agreement to divest its Advantage business, which if consummated would result in a loss, triggered an interim impairment analysis. The assets were evaluated for impairment under a probability-weighted approach for developing estimates of future cash flows used to test a long-lived asset for recoverability. The sum of future undiscounted cash flows of the Advantage business exceeds the carrying value as of September 30, 2012. Accordingly, no impairment has been recognized at September 30, 2012.

Equipment Rental

HERC experienced higher rental volumes and pricing for the nine months ended September 30, 2012 compared to the prior year period as the industry continued its recovery in North America. We continued to see growth in our specialty services such as Pump & Power, Industrial Plant Services and Hertz Entertainment Services. Additionally, there continues to be opportunities for the remainder of 2012 as the uncertain economic outlook makes rental solutions attractive to customers.

On January 19, 2012, HERC acquired Cinelease Holdings, LLC, or "Cinelease," a U.S. market leader in lighting and grip rentals to the television industry.

As of September 30, 2012, HERC had a total of approximately 340 branches in the U.S., Canada, France, Spain, China and Saudi Arabia.

Seasonality

Our car rental and equipment rental operations are seasonal businesses, with decreased levels of business in the winter months and heightened activity during the spring and summer. We have the ability to dynamically manage fleet capacity, the most significant portion of our cost structure, to meet market demand. For instance, to accommodate increased demand, we increase our available fleet and staff during the second and third quarters of the year. As business 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. In addition, our management expects to utilize enhanced process improvements, including efficiency initiatives and the use of our information technology systems, to help manage our variable costs. Approximately two-thirds of our typical annual operating costs represent variable costs, while the remaining one-third is fixed or semi-fixed. We also maintain a flexible workforce, with a significant number of part time and seasonal workers. However, certain operating expenses, including rent, insurance, and administrative overhead, remain fixed and cannot be adjusted for seasonal demand. Revenues related to our fleet leasing and management services are generally not seasonal.

Restructuring

During the first, second and third quarters of 2012, we continued to streamline operations and reduce costs with the

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

closure of several car rental and equipment rental locations globally as well as a reduction in our workforce by approximately 65 employees, 280 employees and 240 employees, respectively.

For the three and nine months ended September 30, 2012, our consolidated statement of operations includes restructuring charges of \$1.5 million and \$27.0 million, respectively. For the three and nine months ended September 30, 2011, our consolidated statement of operations includes restructuring charges of \$1.9 million and \$40.4 million, respectively.

Additional efficiency and cost saving initiatives are being developed; however, we presently do not have firm plans or estimates of any related expenses. See Note 12 to the Notes to our condensed consolidated financial statements included in this Report.

RESULTS OF OPERATIONS

Three Months Ended September 30, 2012 Compared with Three Months Ended September 30, 2011

Summary

The following table sets forth the percentage of total revenues represented by the various line items in our consolidated statements of operations for the three months ended September 30, 2012 and 2011 (in millions of dollars):

	Three Months Ended September 30,		Percentage of Revenues	
			Three Months Ended September 30,	
	2012	2011	2012	2011
Revenues:				
Car rental	\$ 2,106.0	\$ 2,062.5	83.7 %	84.8 %
Equipment rental	362.9	321.6	14.4	13.2
Other	47.3	48.2	1.9	2.0
Total revenues	2,516.2	2,432.3	100.0	100.0
Expenses:				
Direct operating	1,241.1	1,247.6	49.3	51.2
Depreciation of revenue earning equipment and lease charges	560.5	523.3	22.3	21.5
Selling, general and administrative	201.0	197.6	8.0	8.1
Interest expense	154.9	169.3	6.1	7.0
Interest income	(0.7)	(1.2)	—	—
Other (income) expense, net	(9.5)	—	(0.4)	—
Total expenses	2,147.3	2,136.6	85.3	87.8
Income before income taxes	368.9	295.7	14.7	12.2
Provision for taxes on income	(126.0)	(83.2)	(5.0)	(3.4)
Net income	242.9	212.5	9.7	8.8
Less: Net income attributable to noncontrolling interest	—	(5.8)	—	(0.3)
Net income attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders	\$ 242.9	\$ 206.7	9.7 %	8.5 %

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

The following table sets forth certain of our selected car rental, equipment rental and other operating data for the three months ended or as of September 30, 2012 and 2011:

	Three Months Ended or as of September 30,	
	2012	2011
Selected Car Rental Operating Data:		
Worldwide number of transactions (in thousands)	7,704	7,409
Domestic (Hertz)	5,675	5,368
International (Hertz)	2,029	2,041
Worldwide transaction days (in thousands) ^(a)	41,613	40,231
Domestic (Hertz)	28,077	26,452
International (Hertz)	13,536	13,779
Worldwide rental rate revenue per transaction day ^(b)	\$ 41.09	\$ 42.20
Domestic (Hertz)	\$ 40.27	\$ 41.44
International (Hertz)	\$ 42.79	\$ 43.66
Worldwide average number of cars during the period	703,200	667,500
Domestic (Hertz company-operated)	368,400	352,700
International (Hertz company-operated)	181,600	185,700
Donlen (under lease and maintenance)	153,200	129,100
Adjusted pre-tax income (in millions of dollars) ^(c)	\$ 428.7	\$ 375.3
Worldwide revenue earning equipment, net (in millions of dollars)	\$ 10,036.4	\$ 9,859.4
Selected Worldwide Equipment Rental Operating Data:		
Rental and rental related revenue (in millions of dollars) ^(d)	\$ 331.2	\$ 290.5
Same store revenue growth, including growth initiatives ^(e)	8.1%	11.3%
Average acquisition cost of rental equipment operated during the period (in millions of dollars)	\$ 3,141.0	\$ 2,830.3
Adjusted pre-tax income (in millions of dollars) ^(c)	\$ 76.2	\$ 55.9
Revenue earning equipment, net (in millions of dollars)	\$ 2,184.8	\$ 1,779.1

(a) Transaction days represent the total number of days that vehicles were on rent in a given period.

(b) Car rental rate revenue consists of all revenue, net of discounts, associated with the rental of cars including charges for optional insurance products, but excluding revenue derived from fueling and concession and other expense pass-throughs, NeverLost units in the U.S. and certain ancillary revenue. Rental rate revenue per transaction day is calculated as total rental rate revenue, divided by the total number of transaction days, with all periods adjusted to eliminate the effect of fluctuations in foreign currency. Our management believes eliminating the effect of fluctuations in foreign currency is appropriate so as not to affect the comparability of underlying trends. This statistic is important to our management and investors as it represents the best measurement of the changes in underlying pricing in the car rental business and encompasses the elements in car rental pricing that management has the ability to control. The optional insurance products are packaged within certain negotiated corporate, government and membership programs and within certain retail rates being charged. Based upon these existing programs and rate packages, management believes that these optional insurance products should be consistently included in the daily pricing of car rental transactions. On the other hand, non-rental rate revenue items such as refueling and concession pass-through expense items are driven by factors beyond the control of management (i.e. the price of fuel and the concession fees charged by airports). Additionally, NeverLost units are an optional revenue product which management does not consider to be part of their daily pricing of car rental transactions. The following table reconciles our car rental segment revenues to our rental rate revenue and rental rate revenue per transaction day (based on December 31, 2011 foreign exchange rates) for the three months ended September 30, 2012 and 2011 (in millions of dollars, except as noted):

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

	Three Months Ended September 30,	
	2012	2011
Car rental segment revenues	\$ 2,152.6	\$ 2,109.1
Non-rental rate revenue	(453.3)	(351.8)
Foreign currency adjustment	10.5	(59.4)
Rental rate revenue	<u>\$ 1,709.8</u>	<u>\$ 1,697.9</u>
Transaction days (in thousands)	41,613	40,231
Rental rate revenue per transaction day (in whole dollars)	\$ 41.09	\$ 42.20

(c) Adjusted pre-tax income is calculated as income (loss) before income taxes plus non-cash purchase accounting charges, non-cash debt charges relating to the amortization and write-off of debt financing costs and debt discounts and certain one-time charges and non-operational items. Adjusted pre-tax income is important to management because it allows management to assess operational performance of our business, exclusive of the items mentioned above. It also allows management to assess the performance of the entire business on the same basis as the segment measure of profitability. Management believes that it is important to investors for the same reasons it is important to management and because it allows them to assess our operational performance on the same basis that management uses internally. The contribution of our reportable segments to adjusted pre-tax income and reconciliation to consolidated amounts are presented below (in millions of dollars):

	Three Months Ended September 30,	
	2012	2011
Adjusted pre-tax income:		
Car rental	\$ 428.7	\$ 375.3
Equipment rental	76.2	55.9
Total reportable segments	504.9	431.2
Adjustments:		
Other reconciling items ⁽¹⁾	(80.1)	(84.3)
Purchase accounting ⁽²⁾	(23.9)	(19.1)
Non-cash debt charges ⁽³⁾	(20.5)	(21.0)
Restructuring charges	(1.5)	(1.9)
Restructuring related charges ⁽⁴⁾	(2.0)	(3.2)
Derivative gains (losses) ⁽⁵⁾	0.1	0.1
Management transition costs	—	(1.5)
Acquisition related costs	(8.1)	(4.6)
Income before income taxes	<u>\$ 368.9</u>	<u>\$ 295.7</u>

- (1) Represents general corporate expenses, certain interest expense (including net interest on corporate debt), as well as other business activities.
- (2) Represents the purchase accounting effects of the Acquisition on our results of operations relating to increased depreciation and amortization of tangible and intangible assets and accretion of revalued workers' compensation and public liability and property damage liabilities. Also represents the purchase accounting effects of subsequent acquisitions on our results of operations relating to increased depreciation and amortization of tangible and intangible assets.
- (3) Represents non-cash debt charges relating to the amortization and write-off of deferred debt financing costs and debt discounts.
- (4) Represents incremental costs incurred directly supporting our business transformation initiatives. Such costs include transition costs incurred in connection with our business process outsourcing arrangements and incremental costs incurred to facilitate business process re-engineering initiatives that involve significant organization redesign and extensive operational process changes.
- (5) Represents the mark-to-market adjustment on our interest rate cap.

(d) Equipment rental and rental related revenue consists of all revenue, net of discounts, associated with the rental of equipment including charges for delivery, loss damage waivers and fueling, but excluding revenue arising from the sale of equipment, parts and supplies and certain other ancillary revenue. Rental and rental related revenue is adjusted in all periods to eliminate the effect of fluctuations in foreign currency. Our management believes eliminating the effect of fluctuations in foreign currency is appropriate so as not to affect the comparability of underlying trends. This statistic is important to our management and investors as it is utilized in the measurement of rental revenue generated per dollar invested in fleet on an annualized basis and is comparable with the reporting of other industry participants. The following table reconciles our equipment rental segment revenues to our equipment rental and rental related revenue (based on December 31, 2011 foreign exchange rates) for the three months ended September 30, 2012 and 2011 (in millions of dollars):

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

	Three Months Ended September 30,	
	2012	2011
Equipment rental segment revenues	\$ 363.0	\$ 321.7
Equipment sales and other revenue	(30.7)	(26.0)
Foreign currency adjustment	(1.1)	(5.2)
Rental and rental related revenue	<u>\$ 331.2</u>	<u>\$ 290.5</u>

(e) Same store revenue growth is calculated as the year over year change in revenue for locations that are open at the end of the period reported and have been operating under our direction for more than twelve months. The same store revenue amounts are adjusted in all periods to eliminate the effect of fluctuations in foreign currency. Our management believes eliminating the effect of fluctuations in foreign currency is appropriate so as not to affect the comparability of underlying trends.

REVENUES

(in millions of dollars)	Three Months Ended September 30,			
	2012	2011	\$ Change	% Change
Revenues by Segment				
Car rental	\$ 2,152.6	\$ 2,109.1	\$ 43.5	2.1 %
Equipment rental	363.0	321.7	41.3	12.8 %
Other reconciling items	0.6	1.5	(0.9)	(56.7)%
Total revenues	<u>\$ 2,516.2</u>	<u>\$ 2,432.3</u>	<u>\$ 83.9</u>	<u>3.4 %</u>

Car Rental Segment

Revenues from our car rental segment increased 2.1%, primarily as a result of increases in car rental transaction days worldwide of 3.4% and refueling fees of \$12.0 million. The increase also includes \$86.0 million of higher revenues related to Donlen, which was acquired on September 1, 2011. These increases were partly offset by the effects of foreign currency translation of approximately \$65.6 million and a decrease in worldwide RPD.

RPD for worldwide car rental for the three months ended September 30, 2012 decreased 2.6% from 2011, due to decreases in U.S. and International RPD of 2.8% and 2.0%, respectively, and a mix shift to the U.S. due to uncertain economic conditions in Europe. U.S. airport RPD decreased 3.1% and U.S. off-airport RPD declined by 2.2%. U.S. airport RPD was negatively impacted by a mix shift to longer life, lower RPD rentals (including mix shift towards off-airport and the Advantage brand). International RPD decreased primarily due to a decrease in Europe's airport RPD which was due to the competitive pricing environment and uncertain economic conditions.

Equipment Rental Segment

Revenues from our equipment rental segment increased 12.8%, primarily due to increases of 12.5% and 3.3% in equipment rental volumes and pricing, respectively, partly offset by the effects of foreign currency translation of approximately \$4.5 million. The increase in volume was primarily due to strong industrial and improving construction performance. Our acquisition of Cinelease in January 2012 also contributed to the revenue increase.

Other

Revenues from all other sources decreased \$0.9 million, primarily due to a decrease in revenues from our third-party claim management services.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)**EXPENSES**

(in millions of dollars)	Three Months Ended September 30,		\$ Change	% Change
	2012	2011		
Expenses:				
Fleet related expenses	\$ 300.0	\$ 318.5	\$ (18.5)	(5.8)%
Personnel related expenses	386.3	378.4	7.9	2.1 %
Other direct operating expenses	554.8	550.7	4.1	0.7 %
Direct operating	1,241.1	1,247.6	(6.5)	(0.5)%
Depreciation of revenue earning equipment and lease charges	560.5	523.3	37.2	7.1 %
Selling, general and administrative	201.0	197.6	3.4	1.8 %
Interest expense	154.9	169.3	(14.4)	(8.5)%
Interest income	(0.7)	(1.2)	0.5	(42.6)%
Other (income) expense, net	(9.5)	—	(9.5)	NM
Total expenses	\$ 2,147.3	\$ 2,136.6	\$ 10.7	0.5 %

Total expenses increased 0.5%, but total expenses as a percentage of revenues decreased from 87.8% for the three months ended September 30, 2011 to 85.3% for the three months ended September 30, 2012.

Direct Operating Expenses*Car Rental Segment*

Direct operating expenses for our car rental segment of \$1,053.6 million for the three months ended September 30, 2012 decreased 1.7% from \$1,071.8 million for the three months ended September 30, 2011 as a result of decreases in fleet related expenses and other direct operating expenses, partly offset by an increase in personnel related expenses.

Fleet related expenses for our car rental segment of \$248.3 million for the three months ended September 30, 2012 decreased 7.3% from the three months ended September 30, 2011. The decrease was primarily related to a decrease of \$17.3 million in vehicle damage costs due to higher collections from customers on damaged or wrecked vehicles and the effects of foreign currency translation of approximately \$12.1 million, partly offset by increases in maintenance expense of \$4.7 million and insurance expense of \$4.5 million primarily related to increased average fleet.

Other direct operating expenses for our car rental segment of \$488.2 million for the three months ended September 30, 2012 decreased 0.5% from the three months ended September 30, 2011. The decrease was primarily related to decreases in field administration expenses of \$3.0 million, guaranteed charge card of \$2.9 million and computers of \$2.8 million as well as by the effects of foreign currency translation of approximately \$16.6 million, partly offset by increases in facilities expense of \$8.0 million, commissions of \$6.5 million, concessions of \$4.0 million and field systems expenses of \$2.6 million. These increases were primarily a result of improved worldwide rental volume demand and additional locations associated with off-airport expansion.

Personnel related expenses for our car rental segment of \$317.1 million for the three months ended September 30, 2012 increased 1.2% from the three months ended September 30, 2011. The increase was primarily related to salaries and related expenses of \$6.3 million and higher incentives of \$5.1 million associated with improved volume and additional off-airport locations in 2012 and due to an increase of \$2.4 million related to Donlen, which was acquired on September 1, 2011, partly offset by a decrease in outside services of \$1.7 million and by the effects of foreign currency translation of approximately \$8.2 million.

Equipment Rental Segment

Direct operating expenses for our equipment rental segment of \$187.7 million for the three months ended September 30, 2012 increased 7.0% from \$175.4 million for the three months ended September 30, 2011 as a result of increases in other direct operating expenses, personnel related expenses and fleet related expenses.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Other direct operating expenses for our equipment rental segment of \$75.8 million for the three months ended September 30, 2012 increased \$7.1 million, or 10.3% from the three months ended September 30, 2011. The increase was primarily related to \$4.0 million of other direct operating expenses associated with Cinelease, which was acquired in January 2012, restructuring and restructuring related charges of \$2.1 million, increases of \$1.8 million in cost of sales due to higher equipment sales and \$1.4 million in re-rent expenses, partly offset by a decrease of \$1.3 million in field administration costs primarily attributable to a legal settlement in the prior year in conjunction with a reduction in procurement costs resulting from bringing in certain outsourced services and by the effects of foreign currency translation of approximately \$1.0 million.

Personnel related expenses for our equipment rental segment of \$60.2 million for the three months ended September 30, 2012 increased \$4.2 million, or 7.4%, from the three months ended September 30, 2011. The increase was related to \$1.8 million of personnel related expenses associated with Cinelease, which was acquired in January 2012, as well as increases in salaries and related expenses of \$2.8 million and higher incentives of \$0.6 million due to increased volumes and new branch openings, partly offset by the effects of foreign currency translation of approximately \$1.0 million.

Fleet related expenses for our equipment rental segment of \$51.7 million for the three months ended September 30, 2012 increased \$1.1 million, or 2.2% from the three months ended September 30, 2011. The increase was primarily related to increased rental volume resulting in increased freight and delivery costs of \$1.7 million, increase of \$1.0 million of fleet related expenses associated with Cinelease, which was acquired in January 2012 and increased insurance, license and tax expenses of \$0.6 million, partly offset by a decrease in refueling costs of \$2.2 million primarily driven by the increase in average fuel prices in conjunction with an increase in fleet from the prior year and by the effects of foreign currency translation of approximately \$0.8 million.

Depreciation of Revenue Earning Equipment and Lease Charges

Car Rental Segment

Depreciation of revenue earning equipment and lease charges for our car rental segment of \$490.5 million for the three months ended September 30, 2012 increased 6.3% from \$461.3 million for the three months ended September 30, 2011. The increase was primarily due to a higher depreciation expense of \$69.0 million related to the acquisition of Donlen in September 2011, as well as an increase in our average fleet size of 2.2% (exclusive of vehicles acquired through the Donlen acquisition), partly offset by lower net depreciation per vehicle and a higher mix of non-program cars.

Equipment Rental Segment

Depreciation of revenue earning equipment and lease charges in our equipment rental segment of \$70.0 million for the three months ended September 30, 2012 increased 13.1% from \$62.0 million for the three months ended September 30, 2011. The increase was primarily due to an 11.0% increase in the average acquisition cost of rental equipment operated during the period, partly offset by higher residual values on the disposal of used equipment and the effects of foreign currency translation of approximately \$1.0 million.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by \$ 3.4 million or 1.8% from the prior year period, due to increases in administrative expenses and sales promotion expenses, partially offset by a decrease in advertising expenses.

Administrative expenses increased \$3.1 million or 2.7%, primarily due to the acquisition of Donlen, which added \$4.4 million in administrative expenses as well as increase in incentives of \$1.9 million, outside services of \$1.9 million, salaries and related expenses of \$1.1 million, partially offset by decreases due to the effects of foreign currency translation of approximately \$5.2 million and restructuring and restructuring related charges of \$2.2 million.

Sales promotion expenses increased \$2.9 million or 8.1%, primarily related to increases in sales salaries and

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

commissions due to improved results, partly offset by the effects of foreign currency translation of approximately \$1.0 million.

Advertising expenses decreased \$2.6 million or 5.6%, primarily due to elevated on-line advertising in 2011 as well as the effects of foreign currency translation of approximately \$2.0 million.

Interest Expense

Car Rental Segment

Interest expense for our car rental segment of \$82.6 million for the three months ended September 30, 2012 decreased 9.5% from \$91.2 million for the three months ended September 30, 2011. The decrease was primarily lower fleet levels and interest rates in Europe, partly offset by an increase in the weighted average debt outstanding as result of an increased fleet size in the U.S., and by Donlen's additional interest expense.

Equipment Rental Segment

Interest expense for our equipment rental segment of \$12.8 million for the three months ended September 30, 2012 increased 19.6% from \$10.7 million for the three months ended September 30, 2011. The increase was primarily due to an increase in weighted average debt outstanding as a result of an increased fleet size.

Other

Other interest expense relating to interest on corporate debt of \$59.5 million for the three months ended September 30, 2012 decreased 11.7% from \$67.4 million for the three months ended September 30, 2011. The decrease was primarily due to the prior year's write-off of unamortized debt costs in connection with the redemption of a portion of our 8.875% Senior Notes, as well as a decrease in the average debt outstanding and interest rates in 2012, mainly due to the redemption of the remainder of our 8.875% Senior Notes and 7.875% Senior Notes in the first quarter of 2012.

Interest Income

Interest income decreased \$0.5 million from the prior year period.

Other (Income) Expense, Net

Other income increased \$9.5 million from the prior year period. The increase was principally due to a gain of \$9.1 million from the sale of the business in Switzerland to a franchisee during the third quarter.

ADJUSTED PRE-TAX INCOME (LOSS)

Car Rental Segment

Adjusted pre-tax income for our car rental segment of \$428.7 million increased 14.2% from \$375.3 million for the three months ended September 30, 2011. The increase was primarily due to stronger volumes, lower net depreciation per vehicle and disciplined cost management, partly offset by decreased pricing. Adjustments to our car rental segment income before income taxes for the three months ended September 30, 2012 totaled \$24.3 million (which consists of purchase accounting of \$12.2 million, non-cash debt charges of \$10.2 million and restructuring and restructuring related charges of \$2.0 million, partly offset by a gain on derivatives of \$0.1 million). Adjustments to our car rental segment income before income taxes for the three months ended September 30, 2011 totaled \$23.3 million (which consists of non-cash debt charges of \$11.1 million, purchase accounting of \$8.0 million and restructuring and restructuring related charges of \$4.3 million, partly offset by a gain on derivatives of \$0.1 million). See footnote (c) to the table under "Results of Operations" for a summary and description of these adjustments.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)*Equipment Rental Segment*

Adjusted pre-tax income for our equipment rental segment of \$76.2 million increased 36.3% from \$55.9 million for the three months ended September 30, 2011. The increase was primarily due to stronger volumes and pricing, strong cost management performance and higher residual values on the disposal of used equipment. Adjustments to our equipment rental segment income before income taxes for the three months ended September 30, 2012 totaled \$13.2 million (which consists of purchase accounting of \$10.6 million, restructuring and restructuring related charges of \$1.5 million, and non-cash debt charges of \$1.1 million). Adjustments to our equipment rental income before income taxes for the three months ended September 30, 2011 totaled \$10.7 million (which consists of purchase accounting of \$10.2 million and non-cash debt charges of \$0.6 million, partly offset by a reversal of restructuring and restructuring related charges of \$0.1 million). See footnote (c) to the table under "Results of Operations" for a summary and description of these adjustments.

PROVISION FOR TAXES ON INCOME, NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST AND NET INCOME ATTRIBUTABLE TO HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES' COMMON STOCKHOLDERS

(in millions of dollars)	Three Months Ended September 30,		\$ Change	% Change
	2012	2011		
Income before income taxes	\$ 368.9	\$ 295.7	\$ 73.2	24.8 %
Provision for taxes on income	(126.0)	(83.2)	(42.8)	51.4 %
Net income	242.9	212.5	30.4	14.3 %
Less: Net income attributable to noncontrolling interest	—	(5.8)	5.8	(100.0)%
Net income attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders	\$ 242.9	\$ 206.7	\$ 36.2	17.5 %

Provision for Taxes on Income

The effective tax rate for the three months ended September 30, 2012 was 34.1% as compared to 28.1% in the three months ended September 30, 2011. The provision for taxes on income increased \$42.8 million, primarily due to higher income before income taxes, changes in geographic earnings mix and changes in losses in certain non-U.S. jurisdictions for which tax benefits are not realized.

Net Income Attributable to Noncontrolling Interest

Net income attributable to noncontrolling interest decreased \$ 5.8 million due to Hertz's purchase of the noncontrolling interest of Navigation Solutions, L.L.C. on December 31, 2011, thereby increasing its ownership interest from 65% to 100%.

Net Income Attributable to Hertz Global Holdings, Inc. and Subsidiaries' Common Stockholders

The net income attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders increased 17.5% primarily due to higher rental volumes in our worldwide car and equipment rental operations, disciplined cost management, lower net depreciation per vehicle in our car rental operations, increased pricing in our equipment rental operations and improved residual values on the disposal of certain used equipment, partly offset by lower pricing in our worldwide car rental operations. The impact of changes in exchange rates on net income was mitigated by the fact that not only revenues but also most expenses outside of the United States were incurred in local currencies.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Nine Months Ended September 30, 2012 Compared with Nine Months Ended September 30, 2011

Summary

The following table sets forth the percentage of total revenues represented by the various line items in our consolidated statements of operations for the nine months ended September 30, 2012 and 2011 (in millions of dollars):

	Nine Months Ended September 30,		Percentage of Revenues	
			Nine Months Ended September 30,	
	2012	2011	2012	2011
Revenues:				
Car rental	\$ 5,578.5	\$ 5,272.6	83.2 %	83.9 %
Equipment rental	998.5	891.3	14.9	14.2
Other	125.3	120.7	1.9	1.9
Total revenues	<u>6,702.3</u>	<u>6,284.6</u>	<u>100.0</u>	<u>100.0</u>
Expenses:				
Direct operating	3,545.2	3,508.6	52.9	55.8
Depreciation of revenue earning equipment and lease charges	1,594.4	1,379.0	23.8	21.9
Selling, general and administrative	615.3	575.4	9.2	9.2
Interest expense	469.4	532.1	7.0	8.5
Interest income	(2.3)	(4.7)	—	(0.1)
Other (income) expense, net	(10.5)	62.7	(0.2)	1.0
Total expenses	<u>6,211.5</u>	<u>6,053.1</u>	<u>92.7</u>	<u>96.3</u>
Income before income taxes	490.8	231.5	7.3	3.7
Provision for taxes on income	(211.3)	(87.9)	(3.1)	(1.4)
Net income	279.5	143.6	4.2	2.3
Less: Net income attributable to noncontrolling interest	—	(14.5)	—	(0.2)
Net income attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders	<u>\$ 279.5</u>	<u>\$ 129.1</u>	<u>4.2 %</u>	<u>2.1 %</u>

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

The following table sets forth certain of our selected car rental, equipment rental and other operating data for the nine months ended or as of September 30, 2012 and 2011:

	Nine Months Ended or as of September 30,	
	2012	2011
Selected Car Rental Operating Data:		
Worldwide number of transactions (in thousands)	21,608	20,583
Domestic (Hertz)	16,131	15,101
International (Hertz)	5,477	5,482
Worldwide transaction days (in thousands) ^(a)	110,538	104,707
Domestic (Hertz)	77,214	71,162
International (Hertz)	33,324	33,545
Worldwide rental rate revenue per transaction day ^{(a)(b)}	\$ 40.34	\$ 41.70
Domestic (Hertz)	\$ 39.31	\$ 40.70
International (Hertz)	\$ 42.73	\$ 43.81
Worldwide average number of cars during the period	651,400	613,500
Domestic (Hertz company-operated)	347,300	325,500
International (Hertz company-operated)	157,200	158,900
Donlen (under lease and maintenance)	146,900	129,100
Adjusted pre-tax income (in millions of dollars) ^{(a)(c)}	\$ 797.8	\$ 678.8
Worldwide revenue earning equipment, net (in millions of dollars)	\$ 10,036.4	\$ 9,859.4
Selected Worldwide Equipment Rental Operating Data:		
Rental and rental related revenue (in millions of dollars) ^{(a)(d)}	\$ 908.5	\$ 798.0
Same store revenue growth, including growth initiatives ^(a)	8.1%	10.1%
Average acquisition cost of rental equipment operated during the period (in millions of dollars)	\$ 3,017.9	\$ 2,791.7
Adjusted pre-tax income (in millions of dollars) ^{(a)(c)}	\$ 144.6	\$ 99.5
Revenue earning equipment, net (in millions of dollars)	\$ 2,184.8	\$ 1,779.1

(a) For further details relating to car rental transaction days, car rental rate revenue per transaction day, adjusted pre-tax income, equipment rental and rental related revenue and equipment rental same store revenue growth including growth initiatives, see "Three Months Ended September 30, 2012 Compared with Three Months Ended September 30, 2011—Summary."

(b) The following table reconciles our car rental segment revenues to our rental rate revenue and rental rate revenue per transaction day (based on December 31, 2011 foreign exchange rates) for the nine months ended September 30, 2012 and 2011 (in millions of dollars, except as noted):

	Nine Months Ended September 30,	
	2012	2011
Car rental segment revenues	\$ 5,700.4	\$ 5,388.3
Non-rental rate revenue	(1,242.0)	(887.8)
Foreign currency adjustment	1.0	(134.5)
Rental rate revenue	\$ 4,459.4	\$ 4,366.0
Transaction days (in thousands)	110,538	104,707
Rental rate revenue per transaction day (in whole dollars)	\$ 40.34	\$ 41.70

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

(c) The contribution of our reportable segments to adjusted pre-tax income and reconciliation to consolidated amounts are presented below (in millions of dollars):

	Nine Months Ended September 30,	
	2012	2011
Adjusted pre-tax income:		
Car rental	\$ 797.8	\$ 678.8
Equipment rental	144.6	99.5
Total reportable segments	942.4	778.3
Adjustments:		
Other reconciling items ⁽¹⁾	(254.3)	(263.0)
Purchase accounting ⁽²⁾	(76.9)	(62.2)
Non-cash debt charges ⁽³⁾	(66.3)	(108.0)
Restructuring charges	(27.0)	(40.4)
Restructuring related charges ⁽⁴⁾	(7.6)	(6.4)
Derivative gains (losses) ⁽⁵⁾	0.1	0.1
Acquisition related costs	(19.6)	(13.6)
Management transition costs	—	(4.0)
Pension adjustment ⁽⁶⁾	—	13.1
Premiums paid on debt ⁽⁷⁾	—	(62.4)
Income before income taxes	\$ 490.8	\$ 231.5

- (1) Represents general corporate expenses, certain interest expense (including net interest on corporate debt), as well as other business activities.
- (2) Represents the purchase accounting effects of the Acquisition on our results of operations relating to increased depreciation and amortization of tangible and intangible assets and accretion of revalued workers' compensation and public liability and property damage liabilities. Also represents the purchase accounting effects of subsequent acquisitions on our results of operations relating to increased depreciation and amortization of tangible and intangible assets.
- (3) Represents non-cash debt charges relating to the amortization and write-off of deferred debt financing costs and debt discounts.
- (4) Represents incremental costs incurred directly supporting our business transformation initiatives. Such costs include transition costs incurred in connection with our business process outsourcing arrangements and incremental costs incurred to facilitate business process re-engineering initiatives that involve significant organization redesign and extensive operational process changes.
- (5) Represents the mark-to-market adjustment on our interest rate cap.
- (6) Represents a gain for the U.K. pension plan relating to unamortized prior service cost from a 2010 amendment that eliminated discretionary pension increases related to pre-1997 service primarily pertaining to inactive employees.
- (7) Represents premiums paid to redeem our 10.5% Senior Subordinated Notes and a portion of our 8.875% Senior Notes.

(d) The following table reconciles our equipment rental segment revenues to our equipment rental and rental related revenue (based on December 31, 2011 foreign exchange rates) for the nine months ended September 30, 2012 and 2011 (in millions of dollars):

	Nine Months Ended September 30,	
	2012	2011
Equipment rental segment revenues	\$ 1,000.1	\$ 891.6
Equipment sales and other revenue	(88.3)	(78.8)
Foreign currency adjustment	(3.3)	(14.8)
Rental and rental related revenue	\$ 908.5	\$ 798.0

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

REVENUES

<u>(in millions of dollars)</u>	Nine Months Ended September 30,		\$ Change	% Change
	2012	2011		
Revenues by Segment				
Car rental	\$ 5,700.4	\$ 5,388.3	\$ 312.1	5.8 %
Equipment rental	1,000.1	891.6	108.5	12.2 %
Other reconciling items	1.8	4.7	(2.9)	(62.5)%
Total revenues	\$ 6,702.3	\$ 6,284.6	\$ 417.7	6.6 %

Car Rental Segment

Revenues from our car rental segment increased 5.8%, primarily as a result of increases in car rental transaction days worldwide of 5.6%, refueling fees of \$25.6 million and airport concession recovery fees of \$11.9 million. The increase also includes \$312.0 million of higher revenues related to Donlen, which was acquired on September 1, 2011. These increases were partly offset by the effects of foreign currency translation of approximately \$123.3 million and a decrease in worldwide RPD.

RPD for worldwide car rental for the nine months ended September 30, 2012 decreased 3.2% from 2011, due to decreases in U.S. and International RPD of 3.4% and 2.5%, respectively, and a mix shift to the U.S. due to uncertain economic conditions in Europe. U.S. airport RPD decreased 3.3% and U.S. off-airport RPD declined by 3.2%. U.S. airport RPD was negatively impacted by a mix shift to longer life, lower RPD rentals (including mix shift towards off-airport and the Advantage brand). International RPD decreased primarily due to a decrease in Europe's airport RPD which was due to the competitive pricing environment and uncertain economic conditions.

Equipment Rental Segment

Revenues from our equipment rental segment increased 12.2%, primarily due to increases of 11.5% and 3.5% in equipment rental volumes and pricing, respectively, partially offset by the effects of foreign currency translation of approximately \$12.8 million. The increase in volume was primarily due to strong industrial and improving construction performance. Our acquisition of Cinelease in January 2012 also contributed to the revenue increase.

Other

Revenues from all other sources decreased \$2.9 million, primarily due to a decrease in revenues from our third-party claim management services.

EXPENSES

<u>(in millions of dollars)</u>	Nine Months Ended September 30,		\$ Change	% Change
	2012	2011		
Expenses:				
Fleet related expenses	\$ 838.3	\$ 855.4	\$ (17.1)	(2.0)%
Personnel related expenses	1,151.8	1,117.9	33.9	3.0 %
Other direct operating expenses	1,555.1	1,535.3	19.8	1.3 %
Direct operating	3,545.2	3,508.6	36.6	1.0 %
Depreciation of revenue earning equipment and lease charges	1,594.4	1,379.0	215.4	15.6 %
Selling, general and administrative	615.3	575.4	39.9	6.9 %
Interest expense	469.4	532.1	(62.7)	(11.8)%
Interest income	(2.3)	(4.7)	2.4	(51.1)%
Other (income) expense, net	(10.5)	62.7	(73.2)	(116.8)%
Total expenses	\$ 6,211.5	\$ 6,053.1	\$ 158.4	2.6 %

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Total expenses increased 2.6%, but total expenses as a percentage of revenues decreased from 96.3% for the nine months ended September 30, 2011 to 92.7% for the nine months ended September 30, 2012.

Direct Operating Expenses

Car Rental Segment

Direct operating expenses for our car rental segment of \$2,979.1 million for the nine months ended September 30, 2012 increased 0.9% from \$2,953.5 million for the nine months ended September 30, 2011 as a result of increases in personnel related expenses and other direct operating expenses, partially offset by a decrease in fleet related expenses.

Personnel related expenses for our car rental segment of \$942.9 million for the nine months ended September 30, 2012 increased \$22.8 million, or 2.5%, from the nine months ended September 30, 2011. The increase was primarily related to increases in salaries and related expenses associated with improved volume and compensation for employees at additional off-airport locations in 2012 and higher incentives as well as an increase related to Donlen, which was acquired in September 2011, partially offset by decreases in outside services and the effects of foreign currency translation of approximately \$17.1 million.

Other direct operating expenses for our car rental segment of \$1,355.5 million for the nine months ended September 30, 2012 increased \$31.4 million, or 2.4% from the nine months ended September 30, 2011. The increase was primarily related to increases in facilities expenses of \$19.7 million, commissions of \$14.4 million, concession fees of \$11.6 million, restructuring and restructuring related charges of \$8.5 million and field systems of \$6.0 million, partially offset by the effects of foreign currency translation of approximately \$32.0 million. The increases were primarily a result of improved worldwide rental volume demand and additional locations associated with off-airport expansion.

Fleet related expenses for our car rental segment of \$680.7 million for the nine months ended September 30, 2012 decreased \$28.6 million, or 4.0% from the nine months ended September 30, 2011. The decrease was primarily related to lower vehicle damage costs of \$26.6 million due to higher collections from customers on damaged or wrecked vehicles, the effects of foreign currency translation of \$23.5 million and lower vehicle license taxes of \$3.6 million. These decreases were partially offset by increases in gasoline costs of \$17.3 million.

Equipment Rental Segment

Direct operating expenses for our equipment rental segment of \$570.5 million for the nine months ended September 30, 2012 increased 2.8% from \$554.9 million for the nine months ended September 30, 2011 as a result of increases in personnel related expenses and fleet related expenses, partially offset by a decrease in other direct operating expenses.

Personnel related expenses for our equipment rental segment of \$181.5 million for the nine months ended September 30, 2012 increased \$12.5 million, or 7.4% from the nine months ended September 30, 2011. The increase was primarily related to increases in salaries and related expenses of \$9.0 million, due to increased volumes and new branch openings. Additionally, Cinelease added to the increase of personnel related expenses.

Fleet related expenses for our equipment rental segment of \$157.6 million for the nine months ended September 30, 2012 increased \$11.6 million, or 7.9% from the nine months ended September 30, 2011. The increase was primarily related to increased rental volume resulting in increased freight and delivery costs of \$5.3 million, increased insurance, license and tax expenses of \$2.5 million and higher maintenance costs of \$2.3 million. Additionally, Cinelease added to the increase of fleet related expenses.

Other direct operating expenses for our equipment rental segment of \$231.4 million for the nine months ended September 30, 2012 decreased \$8.6 million, or 3.6% from the nine months ended September 30, 2011. The decrease was primarily related to a decrease in restructuring and restructuring related charges of \$24.4 million resulting from the closure of several facilities in the first half of the prior year, partly offset by \$9.9 million of other direct operating expenses associated with Cinelease, which was acquired in January 2012, and higher cost of sales of \$3.9 million due to higher equipment sales and increased re-rent expenses of \$3.0 million driven by an

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

increased rental demand.

Depreciation of Revenue Earning Equipment and Lease Charges

Car Rental Segment

Depreciation of revenue earning equipment and lease charges for our car rental segment of \$1,396.2 million for the nine months ended September 30, 2012 increased 17.8% from \$1,185.3 million for the nine months ended September 30, 2011. The increase was primarily due to a higher depreciation expense of \$253.7 million related to the acquisition of Donlen in September 2011, as well as an increase in our average fleet size of 4.2% (exclusive of vehicles acquired through the Donlen acquisition), partly offset by lower net depreciation per vehicle, higher vehicle residual values, a higher mix of non-program cars and the effects of foreign currency translation of approximately \$28.9 million.

Equipment Rental Segment

Depreciation of revenue earning equipment and lease charges in our equipment rental segment of \$198.2 million for the nine months ended September 30, 2012 increased 2.3% from \$193.7 million for the nine months ended September 30, 2011. The increase was primarily due to an 8.1% increase in the average acquisition cost of rental equipment operated during the period, partly offset by higher residual values on the disposal of used equipment and by the effects of foreign currency translation of approximately \$2.6 million.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by \$39.9 million, or 6.9%, due to increases in administrative expenses, sales promotion expenses and advertising expenses.

Administrative expenses increased \$34.7 million, or 10.0%. The increase was primarily due to \$17.3 million of higher administrative expenses related to Donlen which was acquired in September 2011. Additionally, salaries and related expenses increased \$12.5 million, legal expenses increased \$10.0 million and restructuring and restructuring related charges increased by \$5.6 million. These increases were partly offset by the effects of foreign currency translation of approximately \$12.8 million.

Sales promotion expenses increased \$3.8 million, or 3.5%, primarily related to increases in sales salaries and commissions due to improved results, partially offset by the effects of foreign currency translation of approximately \$2.3 million.

Advertising expenses increased \$1.4 million, or 1.2%, primarily due to increased media advertising, higher airline miles expense associated with increased volume, and costs related to our new customer loyalty program, partially offset by the effects of foreign currency translation of approximately \$3.9 million.

Interest Expense

Car Rental Segment

Interest expense for our car rental segment of \$240.3 million for the nine months ended September 30, 2012 decreased 2.2% from \$245.7 million for the nine months ended September 30, 2011. The decrease was primarily due to the effects of foreign currency translation, partially offset by the acquisition of Donlen and an increase in the weighted-average debt outstanding.

Equipment Rental Segment

Interest expense for our equipment rental segment of \$37.1 million for the nine months ended September 30, 2012 increased 9.0% from \$34.1 million for the nine months ended September 30, 2011. The increase was primarily due to increases in the weighted-average debt outstanding as a result of an increase in average fleet size and in the Senior Term Facility and Senior ABL Facility interest rates.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Other

Other interest expense relating to interest on corporate debt of \$192.0 million for the nine months ended September 30, 2012 decreased 23.9% from \$252.3 million for the nine months ended September 30, 2011. The decrease was primarily due to larger write-offs last year of unamortized debt costs in connection with refinancing activity, lower rates achieved with the refinancing of our Senior Notes and Senior Subordinated Notes, and a decrease in the weighted-average debt outstanding and interest rates.

Interest Income

Interest income decreased \$2.4 million from the prior year period.

Other (Income) Expense, Net

Other (income) expense, net for the nine months ended September 30, 2012 and 2011, reflected income of \$ 10.5 million and expense of \$62.7 million, respectively. The increase in 2012 was principally due to a gain of \$9.1 million from the sale of the business in Switzerland to a franchisee during the third quarter. The expense in 2011 was primarily due to \$62.4 million in premiums paid in connection with the redemption of our 10.5% Senior Subordinated Notes and a portion of our 8.875% Senior Notes.

ADJUSTED PRE-TAX INCOME (LOSS)

Car Rental Segment

Adjusted pre-tax income for our car rental segment of \$797.8 million increased 17.5% from \$678.8 million for the nine months ended September 30, 2011. The increase was primarily due to stronger volumes, lower net depreciation per vehicle, improved residual values and disciplined cost management, partly offset by decreased pricing. Adjustments to our car rental segment income before income taxes for the nine months ended September 30, 2012 totaled \$97.0 million (which consists of purchase accounting of \$42.5 million, non-cash debt charges of \$32.0 million, and restructuring and restructuring related charges of \$22.6 million, partly offset by a gain on derivatives of \$0.1 million). Adjustments to our car rental segment income before income taxes for the nine months ended September 30, 2011 totaled \$53.7 million (which consists of non-cash debt charges of \$31.9 million, purchase accounting of \$24.6 million and restructuring and restructuring related charges of \$9.7 million and derivative losses of \$0.6 million, partly offset by pension adjustments of \$13.1 million). See footnote (c) to the table under "Results of Operations" for a summary and description of these adjustments.

Equipment Rental Segment

Adjusted pre-tax income for our equipment rental segment of \$144.6 million increased 45.3% from \$99.5 million for the nine months ended September 30, 2011. The increase was primarily due to stronger volumes and pricing, strong cost management performance and higher residual values on the disposal of used equipment. Adjustments to our equipment rental segment income before income taxes for the nine months ended September 30, 2012 totaled \$43.5 million (which consists of purchase accounting of \$31.4 million, restructuring and restructuring related charges of \$8.4 million, and non-cash debt charges of \$3.7 million). Adjustments to our equipment rental loss before income taxes for the nine months ended September 30, 2011 totaled \$75.3 million (which consists of restructuring and restructuring related charges of \$35.8 million, purchase accounting of \$35.0 million, and non-cash debt charges of \$4.5 million). See footnote (c) to the table under "Results of Operations" for a summary and description of these adjustments.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

PROVISION FOR TAXES ON INCOME, NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST AND NET INCOME ATTRIBUTABLE TO HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES' COMMON STOCKHOLDERS

(in millions of dollars)	Nine Months Ended September 30,		\$ Change	% Change
	2012	2011		
Income before income taxes	\$ 490.8	\$ 231.5	\$ 259.3	112.1 %
Provision for taxes on income	(211.3)	(87.9)	(123.4)	140.7 %
Net income	279.5	143.6	135.9	94.6 %
Less: Net income attributable to noncontrolling interest	—	(14.5)	14.5	(100.0)%
Net income attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders	\$ 279.5	\$ 129.1	\$ 150.4	116.4 %

Provision for Taxes on Income

The effective tax rate for the nine months ended September 30, 2012 was 43.1% as compared to 37.9% in the nine months ended September 30, 2011. The provision for taxes on income increased \$ 123.4 million, primarily due to higher income before income taxes, changes in geographic earnings mix and changes in losses in certain non-U.S. jurisdictions for which tax benefits are not realized.

Net Income Attributable to Noncontrolling Interest

Net income attributable to noncontrolling interest decreased \$ 14.5 million due to Hertz's purchase of the noncontrolling interest of Navigation Solutions, L.L.C. on December 31, 2011, thereby increasing its ownership interest from 65% to 100%.

Net Income Attributable to Hertz Global Holdings, Inc. and Subsidiaries' Common Stockholders

The net income attributable to Hertz Global Holdings, Inc. and Subsidiaries' common stockholders increased 116.4% primarily due to higher rental volumes in our worldwide car and equipment rental operations, improved residual values on the disposal of certain vehicles and used equipment, lower net depreciation per vehicle in our car rental operations, disciplined cost management and increased pricing in our equipment rental operations, partly offset by lower pricing in our worldwide car rental operations. The impact of changes in exchange rates on net income was mitigated by the fact that not only revenues but also most expenses outside of the United States were incurred in local currencies.

LIQUIDITY AND CAPITAL RESOURCES

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

Cash Flows

As of September 30, 2012, we had cash and cash equivalents of \$453.4 million, a decrease of \$478.4 million from \$931.8 million as of December 31, 2011. The following table summarizes such decrease:

(in millions of dollars)	Nine Months Ended September 30,		\$ Change
	2012	2011	
Cash provided by (used in):			
Operating activities	\$ 2,129.9	\$ 1,648.5	481.4
Investing activities	(3,255.7)	(3,465.0)	209.3
Financing activities	646.3	(185.9)	832.2
Effect of exchange rate changes	1.1	14.0	(12.9)
Net change in cash and cash equivalents	\$ (478.4)	\$ (1,988.4)	\$ 1,510.0

During the nine months ended September 30, 2012, we generated \$481.4 million more cash from operating activities compared with the same period in 2011. The increase was primarily a result of higher earnings before interest,

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

depreciation and amortization, improved working capital and reduced interest expense as well as due to the timing of our payments.

Our primary use of cash in investing activities is for the acquisition of revenue earning equipment, which consists of cars and equipment. During the nine months ended September 30, 2012, we used \$209.3 million less cash for investing activities compared with the same period in 2011. The decrease in the use of funds was primarily due to decreases in revenue earning equipment expenditures, a decrease in the year-over-year change in restricted cash and cash equivalents and acquisitions during the period, partly offset by decrease in the proceeds from disposal of revenue earning equipment in our car rental operations. The decrease in revenue earning equipment expenditures in our car rental operations was primarily due to the shift from the purchase of program cars to more non-program cars which have longer holding periods as compared to program cars. This decrease was partly offset by an increase in revenue earning equipment expenditures in our equipment rental operations due to the timing of purchases and payments. As of September 30, 2012 and December 31, 2011, we had \$376.8 million and \$308.0 million, respectively, of restricted cash and cash equivalents to be used for the purchase of revenue earning vehicles and other specified uses under our fleet financing facilities, our Like Kind Exchange Program, or "LKE Program," and to satisfy certain of our self-insurance regulatory reserve requirements. The increase in restricted cash and cash equivalents of \$68.7 million from December 31, 2011 to September 30, 2012, primarily related to the timing of purchases and sales of revenue earning vehicles.

During the nine months ended September 30, 2012, cash flows from financing activities increased by \$832.2 million compared with the same period in 2011. The increase was primarily due to payment of a greater amount of pre-funded debt associated with our Senior Note redemptions in the prior year.

Capital Expenditures

The tables below set forth the revenue earning equipment and property and equipment capital expenditures and related disposal proceeds on a cash basis consistent with our consolidated statements of cash flows, by quarter for 2012 and 2011 (in millions of dollars).

	Revenue Earning Equipment			Property and Equipment		
	Capital Expenditures	Disposal Proceeds	Net Capital Expenditures	Capital Expenditures	Disposal Proceeds	Net Capital Expenditures
2012						
First Quarter	\$ 2,648.7	\$ (2,009.3)	\$ 639.4	\$ 74.2	\$ (47.6)	\$ 26.6
Second Quarter	3,050.2	(1,599.0)	1,451.2	63.0	(8.8)	54.2
Third Quarter	1,982.1	(1,207.1)	775.0	92.2	(38.2)	54.0
	<u>\$ 7,681.0</u>	<u>\$ (4,815.4)</u>	<u>\$ 2,865.6</u>	<u>\$ 229.4</u>	<u>\$ (94.6)</u>	<u>\$ 134.8</u>
2011						
First Quarter	\$ 1,963.8	\$ (1,690.2)	\$ 273.6	\$ 56.8	\$ (14.5)	\$ 42.3
Second Quarter	3,503.0	(1,798.7)	1,704.3	68.6	(13.9)	54.7
Third Quarter	2,397.8	(1,443.5)	954.3	76.9	(19.7)	57.2
	<u>\$ 7,864.6</u>	<u>\$ (4,932.4)</u>	<u>\$ 2,932.2</u>	<u>\$ 202.3</u>	<u>\$ (48.1)</u>	<u>\$ 154.2</u>

	Nine Months Ended September 30,			
	2012	2011	\$ Change	% Change
Revenue earning equipment expenditures				
Car rental	\$ 7,074.5	\$ 7,452.1	\$ (377.6)	(5.1)%
Equipment rental	606.5	412.5	194.0	47.0 %
Total	<u>\$ 7,681.0</u>	<u>\$ 7,864.6</u>	<u>\$ (183.6)</u>	<u>(2.3)%</u>

The decrease in our car rental operations revenue earning equipment expenditures was primarily due to the shift from the purchase of program cars to more non-program cars which have longer holding periods as compared to program cars, resulting in a slower rotation of fleet during the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. The increase in our equipment rental operations revenue earning equipment

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

expenditures was primarily due to the timing of purchases and payments during the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011.

	Nine Months Ended September 30,		\$ Change	% Change
	2012	2011		
Property and equipment expenditures				
Car rental	\$ 170.9	\$ 169.2	\$ 1.7	1.0%
Equipment rental	29.8	19.7	10.1	51.1%
Other	28.7	13.4	15.3	114.5%
Total	<u>\$ 229.4</u>	<u>\$ 202.3</u>	<u>\$ 27.1</u>	<u>13.4%</u>

The increase in property and equipment expenditures was primarily due to increased locations in our operations, continued improvement in economic conditions and business performance during the nine months ended September 30, 2012.

Financing

Our primary liquidity needs include servicing of corporate and fleet related debt, the payment of operating expenses and purchases of rental vehicles and equipment to be used in our operations. Our primary sources of funding are operating cash flows, cash received on the disposal of vehicles and equipment, borrowings under our asset-backed securitizations and our asset-based revolving credit facilities and access to the credit markets generally.

As of September 30, 2012, we had \$12,720.9 million of total indebtedness outstanding. Cash paid for interest during the nine months ended September 30, 2012, was \$395.6 million, net of amounts capitalized. Accordingly, we are highly leveraged and a substantial portion of our liquidity needs arise from debt service on our indebtedness and from the funding of our costs of operations, capital expenditures and acquisitions.

Our liquidity as of September 30, 2012 consisted of cash and cash equivalents, unused commitments under our Senior ABL Facility and unused commitments under our fleet debt. For a description of these amounts, see Note 7 to the Notes to our condensed consolidated financial statements included in this Report as well as "Borrowing Capacity and Availability," below.

Maturities

The aggregate amounts of maturities of debt for each of the twelve-month periods ending September 30 (in millions of dollars) are as follows:

2013	\$ 6,259.8	(including \$5,610.9 of other short-term borrowings*)
2014	\$ 254.0	
2015	\$ 1,769.6	
2016	\$ 329.2	
2017	\$ 266.0	
After 2017	\$ 3,893.0	

* Our short-term borrowings as of September 30, 2012 include, among other items, the amounts outstanding under the European Securitization, Australian Securitization, Senior ABL Facility, U.S. Fleet Financing Facility, U.S. Fleet Variable Funding Notes, Brazilian Fleet Financing Facility, Canadian Securitization, Capitalized Leases, European Revolving Credit Facility and the Donlen GN II Variable Funding Notes. These amounts are reflected as short-term borrowings, regardless of the facility maturity date, as these facilities are revolving in nature and/or the outstanding borrowings have maturities of three months or less. Short-term borrowings also include the Convertible Senior Notes which became convertible on January 1, 2012 and remain as such through December 31, 2012. As of September 30, 2012, short-term borrowings had a weighted average interest rate of 2.3%.

We believe that cash generated from operations and cash received on the disposal of vehicles and equipment, together with amounts available under various liquidity facilities will be adequate to permit us to meet our debt maturities over the next twelve months.

In February 2012, Hertz called the remainder of its outstanding 8.875% Senior Notes due 2014 and 7.875% Senior Notes due January 2014 for redemption. Hertz redeemed these notes in full during March 2012.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

In February 2012, Hertz caused its wholly-owned subsidiary GN Funding II L.L.C. to increase the capacity of the Donlen GN II Variable Funding Notes from \$850 million to \$900 million. In July 2012 Hertz caused its wholly-owned subsidiary GN Funding II L.L.C. to further increase the capacity of the Donlen GN II Variable Funding Notes from \$900 million to \$1 billion and to extend the maturity date of the Donlen GN II Variable Funding Notes from August 2012 to December 2012. In October 2012, Hertz caused its wholly-owned subsidiary GN Funding II L.L.C. to extend the maturity date of the Donlen GN II Variable Funding Notes from December 2012 to December 2013.

In March 2012, Hertz issued an additional \$250 million in aggregate principal amount of the 6.75% Senior Notes due 2019. The proceeds of this March 2012 offering were used to redeem all of the outstanding 8.875% Senior Notes due 2014 and together with cash on hand, all of the outstanding 7.875% Senior Notes due 2014 which resulted in the write-off of unamortized debt costs of \$3.2 million.

In March 2012, Hertz caused its wholly-owned subsidiary HC Limited Partnership to amend the Canadian Securitization to extend the maturity date from March 2012 to May 2012. In the second quarter of 2012, the maturity date was extended to June 2013.

In April 2012, Hertz caused its wholly-owned subsidiary Hertz Vehicle Financing LLC, or "HVF," to pay off the remaining debt outstanding under the U.S. ABS Program Series 2011-2 U.S. Fleet Variable Funding Notes and terminated the facility.

In May 2012, Hertz caused its wholly-owned subsidiary HVF to increase the borrowing capacity of its Series 2009-1 U.S. Fleet Variable Funding Notes by \$250 million.

In June 2012, Hertz amended the European Revolving Credit Facility to extend the maturity date from June 2013 to June 2015.

In June 2012, Hertz amended the Brazilian Fleet Financing Facility to extend the maturity date from June 2012 to February 2013.

In June 2012, Hertz amended the European Seasonal Revolving Credit Facility under the European Revolving Credit Facility to create a commitment period running from June 2012 to November 2012 that provides for aggregate maximum borrowings of €85.7 million (the equivalent of \$110.3 million as of September 30, 2012), subject to borrowing base availability.

In July 2012, Hertz caused its subsidiary, International Fleet Financing No. 2 B.V. to amend the European Securitization to extend the maturity from July 2013 to July 2014.

In August 2012, Hertz obtained commitments to make unsecured bridge loans in an aggregate amount of \$1.95 billion, or the "Bridge Commitments," in connection with the offer to acquire Dollar Thrifty. The proceeds of the bridge loans, if any, would be used to, among other things, finance a portion of the consideration Dollar Thrifty stockholders would receive in connection with the acquisition of Dollar Thrifty.

For subsequent events relating to our indebtedness, see Note 17 to the Notes to our condensed consolidated financial statements included in this Report.

Registration Rights and Indentures for the Senior Notes

Pursuant to the terms of exchange and registration rights agreements entered into in connection with the issuance of \$250 million in aggregate principal amount of the 6.75% Senior Notes due 2019 in March 2012, Hertz has agreed to file a registration statement under the Securities Act of 1933, as amended, to permit either the exchange of such notes for registered notes or, in the alternative, the registered resale of such notes. Hertz plans to enter into an exchange and registration rights agreements in connection with the release from escrow of \$700 million aggregate principal amount of 5.875% Senior Notes due 2020 and \$500 million aggregate principal amount of 6.250% Senior Notes due 2022 issued by its newly-formed, wholly-owned subsidiary, HDTFS, Inc. Hertz expects to agree to file a registration statement under the Securities Act of 1933, as amended, to permit either the exchange of such notes for registered notes or, in the alternative, the registered resale of such notes. Hertz's failure to meet its obligations under either exchange and registration rights agreement, including by failing to have the registration statement become effective by the date that is 365 days after the respective date of the exchange and registration rights agreement or failing to complete the exchange offer by the date that is 395 days after the date of the exchange and registration rights agreement, will result in Hertz incurring special interest on such notes at a per annum rate of 0.25% for the first 90 days of any

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

period where a default has occurred and is continuing, which rate will be increased by an additional 0.25% during each subsequent 90 day period, up to a maximum of 0.50%. We do not believe the special interest obligation is probable, and as such, we have not recorded any amounts with respect to this registration payment arrangement.

Hertz's obligations under the indentures for the Senior Notes are guaranteed by each of its direct and indirect domestic subsidiaries that is a guarantor under the Senior Term Facility. The guarantees of all of the subsidiary guarantors may be released to the extent such subsidiaries no longer guarantee our Senior Credit Facilities in the United States.

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

Other Financing Risks

A significant number of cars that we purchase are subject to repurchase by car manufacturers under contractual repurchase or guaranteed depreciation programs. Under these programs, car manufacturers agree to repurchase cars at a specified price or guarantee the depreciation rate on the cars during a specified time period, typically subject to certain car condition and mileage requirements. We use book values derived from this specified price or guaranteed depreciation rate to calculate financing capacity under certain asset-backed and asset-based financing arrangements.

In the event of a bankruptcy of a car manufacturer, our liquidity would be impacted by several factors including reductions in fleet residual values and the risk that we would be unable to collect outstanding receivables due to us from such bankrupt manufacturer. In addition, the program cars manufactured by any such company would need to be removed from our financing facilities or re-designated as non-program vehicles, which would require us to furnish additional credit enhancement associated with these program vehicles. For a discussion of the risks associated with a manufacturer's bankruptcy or our reliance on asset-backed and asset-based financing, see "Item 1A—Risk Factors" included in our Form 10-K.

We rely significantly on asset-backed and asset-based financing arrangements to purchase cars for our domestic and international car rental fleet. The amount of financing available to us pursuant to these programs depends on a number of factors, many of which are outside our control, including recently adopted legislation, proposed SEC rules and regulations and other legislative and administrative developments. In this regard, there has been uncertainty regarding the potential impact of recently proposed SEC rules and regulations governing the issuance of asset-backed securities and additional requirements contained in the Dodd-Frank Wall Street Reform and Consumer Protection Act. While we will continue to monitor these developments and their impact on our ABS program, the SEC rules and regulations, once adopted and implemented, may impact our ability and/or desire to engage in asset-backed financings in the future. For further information concerning our asset-backed financing programs and our indebtedness, see Note 4 to the Notes to our audited annual consolidated financial statements included in our Form 10-K under the caption "Item 8—Financial Statements and Supplementary Data." For a discussion of the risks associated with our reliance on asset-backed and asset-based financing and the significant amount of indebtedness, see "Item 1A—Risk Factors" in our Form 10-K.

For further information on our indebtedness, see Note 7 to the Notes to our condensed consolidated financial statements included in this Report.

Covenants

Certain of our debt instruments and credit facilities contain a number of covenants that, among other things, limit or restrict the ability of the borrowers and the guarantors to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay certain indebtedness, make certain restricted payments (including paying dividends, redeeming stock or making other distributions), create liens, make investments, make acquisitions, engage in mergers, fundamentally change the nature of their business, make capital expenditures, or engage in certain transactions with certain affiliates.

Under the terms of our Senior Term Facility and Senior ABL Facility, we are not subject to ongoing financial maintenance covenants; however, under the Senior ABL Facility, failure to maintain certain levels of liquidity will subject the Hertz

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

credit group to a contractually specified fixed charge coverage ratio of not less than 1:1 for the four quarters most recently ended. As of September 30, 2012, we were not subject to such contractually specified fixed charge coverage ratio.

In addition to borrowings under our Senior Credit Facilities, we have a significant amount of additional debt outstanding. For further information on the terms of our Senior Credit Facilities as well as our significant amount of other debt outstanding, see Note 7 to the Notes to our condensed consolidated financial statements included in this Report and Note 4 to the Notes to our audited annual consolidated financial statements included in our Form 10-K under the caption "Item 8—Financial Statements and Supplementary Data." For a discussion of the risks associated with our significant indebtedness, see "Item 1A—Risk Factors" in our Form 10-K.

Borrowing Capacity and Availability

As of September 30, 2012, the following facilities were available for the use of Hertz and its subsidiaries (in millions of dollars):

	Remaining Capacity	Availability Under Borrowing Base Limitation
<i>Corporate Debt</i>		
Senior ABL Facility	\$ 1,037.3	\$ 1,016.5
Total Corporate Debt	1,037.3	1,016.5
<i>Fleet Debt</i>		
U.S. Fleet Variable Funding Notes	288.1	—
Donlen GN II Variable Funding Notes	105.8	—
U.S. Fleet Financing Facility	31.1	—
European Revolving Credit Facility	—	—
European Securitization	101.3	—
Canadian Securitization	55.8	—
Australian Securitization	97.0	1.2
Capitalized Leases	117.0	—
Total Fleet Debt	796.1	1.2
Total	\$ 1,833.4	\$ 1,017.7

Our borrowing capacity and availability primarily comes from our "revolving credit facilities," which are a combination of asset-backed securitization facilities and asset-based revolving credit facilities. Creditors under each of our revolving credit facilities have a claim on a specific pool of assets as collateral. Our ability to borrow under each revolving credit facility is a function of, among other things, the value of the assets in the relevant collateral pool. We refer to the amount of debt we can borrow given a certain pool of assets as the "borrowing base."

We refer to "Remaining Capacity" as the maximum principal amount of debt permitted to be outstanding under the respective facility (i.e., the amount of debt we could borrow assuming we possessed sufficient assets as collateral) less the principal amount of debt then-outstanding under such facility.

We refer 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 we could borrow given the collateral we possess at such time).

As of September 30, 2012, the Senior Term Facility had approximately \$0.3 million available under the letter of credit facility and the Senior ABL Facility had \$1,092.3 million available under the letter of credit facility sublimit, subject to borrowing base restrictions.

Substantially all of our revenue earning equipment and certain related assets are owned by special purpose entities, or are encumbered in favor of our lenders under our various credit facilities.

Some of these special purpose entities are consolidated variable interest entities, of which Hertz is the primary beneficiary, whose sole purpose is to provide commitments to lend in various currencies subject to borrowing bases

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

comprised of rental vehicles and related assets of certain of Hertz International, Ltd.'s subsidiaries. As of September 30, 2012 and December 31, 2011, our International Fleet Financing No. 1 B.V., International Fleet Financing No. 2 B.V. and HA Funding Pty, Ltd. variable interest entities had total assets primarily comprised of loans receivable and revenue earning equipment of \$658.5 million and \$456.3 million, respectively, and total liabilities primarily comprised of debt of \$658.0 million and \$455.8 million, respectively.

Off-Balance Sheet Commitments and Arrangements

As of September 30, 2012 and December 31, 2011, the following guarantees (including indemnification commitments) were issued and outstanding:

Indemnification Obligations

In the ordinary course of business, we execute 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. Performance under these indemnification obligations would generally be triggered by a breach of terms of the contract or by a third party claim. 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. The types of indemnification obligations for which payments are possible include the following:

Sponsors; Directors

Hertz has entered into customary indemnification agreements with Hertz Holdings, the Sponsors and our stockholders affiliated with the Sponsors, pursuant to which Hertz Holdings and Hertz will indemnify the Sponsors, our stockholders affiliated with the Sponsors 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 the Sponsors and certain other claims and liabilities, including liabilities arising out of financing arrangements or securities offerings. We also entered into indemnification agreements with each of our directors. We do not believe that these indemnifications are reasonably likely to have a material impact on us.

Environmental

We have 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 we may be held responsible could be substantial. The probable expenses that we expect to incur for such matters have been accrued, and those expenses are reflected in our condensed consolidated financial statements. As of September 30, 2012 and December 31, 2011, the aggregate amounts accrued for environmental liabilities including liability for environmental indemnities, reflected in our condensed consolidated balance sheets in "Accrued liabilities" were \$1.5 million and \$1.5 million, respectively. The accrual generally represents the estimated cost to study potential environmental issues at sites deemed to require investigation or clean-up activities, and the estimated cost to implement remediation actions, including on-going maintenance, as required. Cost estimates are developed by site. Initial cost estimates are based on historical experience at similar sites and are refined over time on the basis of in-depth studies of the sites. For many sites, the remediation costs and other damages for which we ultimately may be responsible cannot be reasonably estimated because of uncertainties with respect to factors such as our connection to the site, the materials there, the involvement of other potentially responsible parties, the application of laws and other standards or regulations, site conditions, and the nature and scope of investigations, studies, and remediation to be undertaken (including the technologies to be required and the extent, duration, and success of remediation).

Risk Management

For a discussion of additional risks arising from our operations, including vehicle liability, general liability and property damage insurable risks, see "Item 1—Business—Risk Management" in our Form 10-K.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Market Risks

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 gasoline 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. For more information on these exposures, see Note 13 to the Notes to our condensed consolidated financial statements included in this Report.

Interest Rate Risk

From time to time, we may enter into interest rate swap agreements and/or interest rate cap agreements to manage interest rate risk. See Notes 7 and 13 to the Notes to our condensed consolidated financial statements included in this Report and Notes 4 and 13 to the Notes to our audited annual consolidated financial statements included in our Form 10-K under the caption "Item 8—Financial Statements and Supplementary Data."

We have a significant amount of debt with variable rates of interest based generally on LIBOR, Euro inter-bank offered rate, or "EURIBOR," or their equivalents for local currencies or bank conduit commercial paper rates plus an applicable margin. Increases in interest rates could therefore significantly increase the associated interest payments that we are required to make on this debt.

We have assessed our exposure to changes in interest rates by analyzing the sensitivity to our earnings assuming various changes in market interest rates. Assuming a hypothetical increase of one percentage point in interest rates on our debt portfolio as of September 30, 2012, our net income would decrease by an estimated \$32.3 million over a twelve-month period.

Consistent with the terms of the agreements governing the respective debt obligations, we may hedge a portion of the floating rate interest exposure under the various debt facilities to provide protection in respect of such exposure.

Foreign Currency Risk

We have foreign currency exposure to exchange rate fluctuations worldwide and primarily with respect to the Euro, Canadian dollar, Australian dollar and British pound.

We manage our foreign currency risk primarily by incurring, to the extent practicable, operating and financing expenses in the local currency in the countries in which we operate, including making fleet and equipment purchases and borrowing locally. Also, we have purchased foreign exchange options to manage exposure to fluctuations in foreign exchange rates for selected marketing programs. The effect of exchange rate changes on these financial instruments would not materially affect our consolidated financial position, results of operations or cash flows. Our risks with respect to foreign exchange options are limited to the premium paid for the right to exercise the option and the future performance of the option's counterparty.

We also manage exposure to fluctuations in currency risk on intercompany loans we make to certain of our subsidiaries by entering into foreign currency forward contracts at the time of the loans which are intended to offset the impact of foreign currency movements on the underlying intercompany loan obligations.

For the three and nine months ended September 30, 2012, our consolidated statement of operations contained realized and unrealized losses relating to the effects of foreign currency of \$3.2 million and \$8.6 million, respectively. For the three and nine months ended September 30, 2011, our consolidated statement of operations contained realized and unrealized losses relating to the effects of foreign currency of \$9.2 million and \$16.9 million, respectively.

See Note 13 to the Notes to our condensed consolidated financial statements included in this Report.

Other Risks

We purchase unleaded gasoline and diesel fuel at prevailing market rates and maintain a program to manage our exposure to changes in fuel prices through the use of derivative commodity instruments. For the three-month and nine-month periods ended September 30, 2012, we recognized losses of \$2.1 million and \$0.6 million, respectively, in "Direct operating" on our consolidated statement of operations relating to our gasoline swaps. See Note 13 to the

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Notes to our condensed consolidated financial statements included in this Report.

Inflation

The increased cost of vehicles is the primary inflationary factor affecting us. Many of our other operating expenses are also expected to increase with inflation, including health care costs and gasoline. Management does not expect that the effect of inflation on our overall operating costs will be greater for us than for our competitors.

Income Taxes

In January 2006, we implemented a LKE Program for our U.S. car rental business. Pursuant to the program, we dispose of vehicles and acquire replacement vehicles in a form intended to allow such dispositions and replacements to qualify as tax-deferred "like-kind exchanges" pursuant to section 1031 of the Internal Revenue Code. The program has resulted in deferral of federal and state income taxes for fiscal years 2006, 2007, 2008 and 2009 and part of 2010 and 2012. A LKE Program for HERC has also been in place for several years. The program allows tax deferral if a qualified replacement asset is acquired within a specific time period after asset disposal. Accordingly, if a qualified replacement asset is not purchased within this limited time period, taxable gain is recognized. Over the last few years, for strategic purposes, such as cash management and fleet reduction, we have recognized some taxable gains in the program. In 2009, the bankruptcy filing of an original equipment manufacturer, or "OEM," also resulted in minimal gain recognition. We had sufficient net operating losses to fully offset the taxable gains recognized. We cannot offer assurance that the expected tax deferral will continue or that the relevant law concerning the programs will remain in its current form. An extended reduction in our car rental fleet could result in reduced deferrals in the future, which in turn could require us to make material cash payments for federal and state income tax liabilities. Our inability to obtain replacement financing as our fleet financing facilities mature would likely result in an extended reduction in the fleet. In the event of an extended fleet reduction, we believe the likelihood of making material cash tax payments in the near future is low because of our significant net operating losses. In August 2010, we elected to temporarily suspend the U.S. car rental LKE Program allowing cash proceeds from sales of vehicles to be utilized for various business purposes, including paying down existing debt obligations, future growth initiatives and for general operating purposes. From August 2010 through 2011, recognized tax gains on vehicle dispositions resulting from the LKE suspension were more than offset by 100% tax depreciation on newly acquired vehicles. During 2012 the allowable 50% bonus depreciation helped offset tax gains during the period of LKE suspension. The U.S. car rental LKE Program was reinstated on October 15, 2012.

On January 1, 2009, Bank of America acquired Merrill Lynch & Co., Inc., the parent company of MLGPE. Accordingly, Bank of America is now an indirect beneficial owner of Hertz Holdings' common stock held by MLGPE and certain of its affiliates. For U.S. income tax purposes the transaction, when combined with other unrelated transactions during the previous 36 months, resulted in a change in control as that term is defined in Section 382 of the Internal Revenue Code. Consequently, utilization of all pre-2009 U.S. net operating losses is subject to an annual limitation. The limitation is not expected to result in a loss of net operating losses or have a material adverse impact on taxes.

Employee Retirement Benefits

Pension

We sponsor defined benefit pension plans worldwide. Pension obligations give rise to significant expenses that are dependent on assumptions discussed in Note 5 of the Notes to our audited annual consolidated financial statements included in our Form 10-K under the caption "Item 8—Financial Statements and Supplementary Data." Our 2012 worldwide pre-tax pension expense is expected to be approximately \$31.4 million, which would represent an increase of \$10.1 million from 2011. The anticipated increase in expense compared to 2011 is primarily due to lower expected rates of return in 2012, lower discount rates at the end of 2011 compared to 2010 and a curtailment gain in the U.K. recorded in 2011.

We participate in various "multiemployer" pension plans. In the event that we withdraw from participation in one of these plans, then applicable law could require us to make an additional lump-sum contribution to the plan, and we would have to reflect that as an expense in our consolidated statement of operations and as a liability on our condensed consolidated balance sheet. Our withdrawal liability for any multiemployer plan would depend on the extent of the plan's funding of vested benefits. At least one multiemployer plan in which we participate is reported to have, and other of our multiemployer plans could have, significant underfunded liabilities. Such underfunding may increase in the event other employers become insolvent or withdraw from the applicable plan or upon the inability or failure of withdrawing

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

employers to pay their withdrawal liability. In addition, such underfunding may increase as a result of lower than expected returns on pension fund assets or other funding deficiencies.

Recently Issued Accounting Pronouncements

In June 2011, the Financial Accounting Standards Board, or "FASB," issued Accounting Standards Update No. 2011-05, "Presentation of Comprehensive Income," requiring companies to present items of net income and other comprehensive income either in one continuous statement, referred to as the statement of comprehensive income, or in two separate, but consecutive statements of net income and other comprehensive income. The amendments in this update do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. These provisions became effective for us beginning with the quarterly report for the period ended March 31, 2012. In December 2011, the FASB issued Accounting Standards Update No. 2011-12, "Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05," which defers the timing of implementing only those changes in Update 2011-05 that relate to the presentation of reclassification adjustments.

In July 2012, the FASB issued Accounting Standards Update No. 2012-02, "Intangibles--Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment", which states that that an entity has the option first to assess qualitative factors to determine whether the existence of events and circumstances indicates that it is more likely than not that the indefinite-lived intangible asset is impaired. If, after assessing the totality of events and circumstances, an entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test by comparing the fair value with the carrying amount.

This provision is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. The Company is presently assessing whether to adopt in relation to its annual impairment test scheduled for the fourth quarter.

Other Financial Information

With respect to the unaudited interim financial information of Hertz Global Holdings, Inc. as of September 30, 2012 and for the three-month and nine-month periods ended September 30, 2012 and 2011 included in this Form 10-Q, PricewaterhouseCoopers LLP reported that they applied limited procedures in accordance with professional standards for reviews of such unaudited interim financial information. However, their separate report dated November 2, 2012 included in this Form 10-Q herein states that they did not audit and they do not express an opinion on such unaudited interim financial information. Accordingly, the degree of reliance on their report should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933 for their report on such unaudited interim financial information because that report is not a "report" or "part" of a registration statement prepared or certified by PricewaterhouseCoopers LLP within the meaning of Sections 7 and 11 of the Securities Act of 1933.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

There is no material change in the information reported under "Part II, Item 7A—Quantitative and Qualitative Disclosures About Market Risk," included in our Form 10-K for the fiscal year ended December 31, 2011. See "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations—Market Risks," included in this Report.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in company reports filed or submitted under the Securities Exchange Act of 1934, or the "Exchange Act," is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

An evaluation of the effectiveness of our disclosure controls and procedures was performed under the supervision of, and with the participation of, management, including our Chief Executive Officer and Chief Financial Officer, as of the end of the period covered by this Report. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

An evaluation of our internal controls over financial reporting was performed under the supervision of, and with the participation of, management, including our Chief Executive Officer and Chief Financial Officer, to determine whether any changes have occurred during the period covered by this Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that no changes in our internal control over financial reporting have occurred during the three months ended September 30, 2012 that have 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 11 to the Notes to our annual audited consolidated financial statements included in our Form 10-K.

There were no material changes in the legal proceedings described in our Form 10-K and in our subsequent quarterly reports on Form 10-Q.

As previously disclosed, on June 15, 2011 we received a subpoena from the staff of the Securities and Exchange Commission, or "SEC," seeking production of documents related to our proposed business combination with Dollar Thrifty Automotive Group, Inc. SEC staff later took the testimony of a Hertz executive and has indicated that they may or may not take further testimony. We are cooperating fully with the SEC's investigation. We do not expect this investigation to have any effect on a proposed business combination with Dollar Thrifty.

ITEM 1A. RISK FACTORS

There is no material change in the information reported under "Part I—Item 1A—Risk Factors" contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 with the exception of the following:

Our substantial level of indebtedness could materially adversely affect our results of operations, cash flows, liquidity and ability to compete in our industry.

As of September 30, 2012, we had debt outstanding of \$12,720.9 million. We also expect to incur an additional \$1.95 billion in indebtedness in connection with the acquisition of Dollar Thrifty, or the "Dollar Thrifty Acquisition." As of June 30, 2012, Dollar Thrifty's indebtedness was approximately \$1.56 billion, which we expect to assume in connection with the Dollar Thrifty acquisition. Our substantial indebtedness could materially adversely affect us. For example, it could: (i) make it more difficult for us to satisfy our obligations to the holders of our outstanding debt securities and to the lenders under our various credit facilities, resulting in possible defaults on, and acceleration of, such indebtedness; (ii) be difficult to refinance or borrow additional funds in the future; (iii) require us to dedicate a substantial portion of our cash flows from operations and investing activities to make payments on our debt, which would reduce our ability to fund working capital, capital expenditures or other general corporate purposes; (iv) increase our vulnerability to general adverse economic and industry conditions (such as credit-related disruptions); including interest rate fluctuations, because a portion of our borrowings are at floating rates of interest and are not hedged against rising interest rates, and the risk that one or more of the financial institutions providing commitments under our revolving credit facilities fails to fund an extension of credit under any such facility, due to insolvency or otherwise, leaving us with less liquidity than expected; (v) place us at a competitive disadvantage to our competitors that have proportionately less debt or comparable debt at more favorable interest rates or on better terms; and (vi) limit our ability to react to competitive pressures, or make it difficult for us to carry out capital spending that is necessary or important to our growth strategy and our efforts to improve operating margins. While the terms of the agreements and instruments governing our outstanding indebtedness contain certain restrictions upon our ability to incur additional indebtedness, they do not fully prohibit us from incurring substantial additional indebtedness and do not prevent us from incurring obligations that do not constitute indebtedness. If new debt or other obligations are added to our current liability levels without a corresponding refinancing or redemption of our existing indebtedness and obligations, these risks would increase. For a description of the amounts we have available under certain of our debt facilities, see "Item 7-Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources-Credit Facilities" included in our Annual Report on Form 10-K for the year ended December 31, 2011 and "Note 7-Debt" to the unaudited interim consolidated financial statements included in this report.

Our ability to manage these risks depends on financial market conditions as well as our financial and operating performance, which, in turn, is subject to a wide range of risks, including those described under "-Risks Related to Our Business" included in our Annual Report on Form 10-K for the year ended December 31, 2011.

If our capital resources (including borrowings under our revolving credit facilities and access to other refinancing indebtedness) and operating cash flows are not sufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to do, among other things, one or more of the following: (i) sell certain of our assets; (ii) reduce the size of our rental fleet; (iii) reduce the percentage of program cars in our rental fleet; (iv) reduce or delay capital

ITEM 1A. RISK FACTORS (Continued)

expenditures; (v) obtain additional equity capital; (vi) forgo business opportunities, including acquisitions and joint ventures; or (vii) restructure or refinance all or a portion of our debt on or before maturity.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. Furthermore, we cannot assure you that we will maintain financing activities and cash flows sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If we cannot refinance or otherwise pay our obligations as they mature and fund our liquidity needs, our business, financial condition, results of operations, cash flows, liquidity, ability to obtain financing and ability to compete in our industry could be materially adversely affected.

Risks Related to Acquisition of Dollar Thrifty

Following the acquisition of Dollar Thrifty, in addition to the risks described above and the risks described in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2011, we may be subject to the risks and uncertainties associated with Dollar Thrifty's business. See "Item 1A-Risk Factors" in the Dollar Thrifty Form 10-K for the fiscal year ended December 31, 2011 for a discussion of these risks. This item is not incorporated by reference into this quarterly report on Form 10-Q and you should not consider the contents of this item to be a part of this quarterly report on Form 10-Q.

We may fail to realize all of the anticipated benefits of the Dollar Thrifty Acquisition.

Hertz Holdings entered into a Merger Agreement with Dollar Thrifty, or the "Merger Agreement," because we believe that the Dollar Thrifty Acquisition will be beneficial to us and Hertz Holdings' stockholders. To realize these anticipated benefits, after the completion of the Dollar Thrifty Acquisition, we expect to achieve significant cost savings as we integrate our respective businesses. However, we have incurred and expect to continue to incur a number of non-recurring costs associated with combining the operations of Hertz and Dollar Thrifty and there is no assurance that we will be able to integrate the operations of Dollar Thrifty without encountering unexpected difficulties, including unanticipated costs, difficulty in retaining customers, challenges associated with information technology integration and failure to retain key employees. We may also incur substantial delays or costs in connection with the completion of the Dollar Thrifty Acquisition, including with respect to any legal proceedings instituted against us or Dollar Thrifty as a result of the Dollar Thrifty Acquisition. Class action lawsuits were filed seeking to block consummation of the 2010 proposed merger between Hertz Holdings and Dollar Thrifty. One of those lawsuits is still pending; however, the remaining lead plaintiff has moved for dismissal. Similar lawsuits may be filed with respect to the currently proposed Dollar Thrifty Acquisition. Additionally, as a condition to their approval of the Dollar Thrifty Acquisition, regulatory agencies may impose requirements, limitations or costs or require divestitures or place restrictions on the conduct of the combined company's business. Any or all of the preceding could materially adversely affect the synergies and other benefits that we expect to achieve in connection with the Dollar Thrifty Acquisition or increase the cost or time to complete the integration of Dollar Thrifty's business into our own, which could jeopardize our ability to obtain the anticipated benefits of the Dollar Thrifty Acquisition and could have a material adverse effect on our financial condition and results of operations.

Combining the businesses of Hertz and Dollar Thrifty may be more difficult, costly or time-consuming than expected, which may adversely affect our results following the Dollar Thrifty Acquisition.

Hertz Holdings and Dollar Thrifty have entered into the Merger Agreement because they believe that the Dollar Thrifty Acquisition will be beneficial to their respective companies and stockholders. The success of the Dollar Thrifty Acquisition will depend, in part, on our ability to realize the anticipated benefits and cost savings from combining the businesses of Hertz and Dollar Thrifty. To realize these anticipated benefits and cost savings, we must successfully combine the businesses of Hertz and Dollar Thrifty in an efficient and effective manner. In addition, we must obtain amendments or waivers to certain of Dollar Thrifty's debt agreements to permit us to use Dollar Thrifty's rental vehicles in order to maximize our sharing of Dollar Thrifty's fleet. Also, Dollar Thrifty must obtain the consent of certain of its counterparties from some of the Dollar Thrifty contracts that have provisions that require Dollar Thrifty to obtain the consent of Dollar Thrifty's counterparty in connection with the completion of the Dollar Thrifty Acquisition or give Dollar Thrifty's counterparty the right to terminate the contract in connection with the Dollar Thrifty Acquisition. If we and Dollar Thrifty are not able to achieve these objectives within the anticipated time frame, or at all, the anticipated benefits and cost savings of the Dollar Thrifty Acquisition may not be realized fully, or at all, or may take longer to realize than expected.

Hertz and Dollar Thrifty have operated and, until completion of the Dollar Thrifty Acquisition, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing business or inconsistencies in standards, controls, procedures and policies that adversely

ITEM 1A. RISK FACTORS (Continued)

affect our ability to maintain relationships with customers, employees, suppliers and franchisees or to achieve the anticipated benefits of the Dollar Thrifty Acquisition.

Specifically, issues that must be addressed in integrating the operations of Dollar Thrifty into our operations in order to realize the anticipated benefits of the Dollar Thrifty Acquisition include, among other things:

- integrating and optimizing the utilization of the rental vehicle fleets and related financing of Hertz and Dollar Thrifty;
- integrating the marketing, promotion, reservation and information technology systems of Hertz and Dollar Thrifty;
- conforming standards, controls, procedures and policies, business cultures and compensation structures between the companies;
- consolidating the automotive purchasing, maintenance and resale operations;
- consolidating corporate and administrative functions;
- consolidating sales and marketing operations; and
- identifying and eliminating redundant and underperforming operations and assets.

Integration efforts between the two companies will also divert management attention and resources. An inability to realize the full extent of the anticipated benefits of the Dollar Thrifty Acquisition, as well as any delays encountered in the integration process, could have an adverse effect upon the revenues, level of expenses and operating results of Hertz after the completion of the Dollar Thrifty Acquisition. Our ability to realize the full extent of the anticipated benefits of the Dollar Thrifty Acquisition will also be subject to its contractual obligations to Dollar Thrifty with respect to Dollar Thrifty's employees following the consummation of the Tender Offer.

In addition, the actual integration may result in additional and unforeseen expenses, and the anticipated benefits of the integration plan may not be realized. Actual synergies, if achieved at all, may be lower than what we expect and may take longer to achieve than anticipated. If we are not able to adequately address these challenges, we may be unable to successfully integrate Dollar Thrifty's operations into its own, or to realize the anticipated benefits of the integration of the two companies.

Because Dollar Thrifty will become a wholly-owned subsidiary of Hertz upon completion of the Dollar Thrifty Acquisition, certain existing indebtedness of Dollar Thrifty and its subsidiaries, if not refinanced, amended or repaid, may decrease our business flexibility, reduce our ability to incur additional indebtedness, affect our existing debt covenants, increase our borrowing costs or result in repayment or collateralization obligations.

Certain of Dollar Thrifty's existing indebtedness is expected to be outstanding upon completion of the Dollar Thrifty Acquisition, including most of Dollar Thrifty's existing fleet financing. As of June 30, 2012, Dollar Thrifty's indebtedness was approximately \$1.56 billion. The agreements governing Dollar Thrifty's indebtedness differ from those governing our indebtedness and in certain respects could require waivers, amendments or refinancing of the Dollar Thrifty indebtedness. In addition, certain existing or future fleet financing facilities of Dollar Thrifty's securitization subsidiaries contain or may contain at closing change in control and other provisions that could result in the commencement of rapid amortization periods under such agreements after or upon consummation of the Dollar Thrifty Acquisition. Also, in connection with any termination of Dollar Thrifty's senior secured credit facility, we will need to make other arrangements with respect to related outstanding letters of credit and hedging agreements. Although we and Dollar Thrifty will try to resolve any such conflicts prior to closing, there can be no assurance that such conflicts will be resolved by that time or at the anticipated cost or that any refinancing may be obtained on favorable terms. In addition, the failure to effect any such refinancing, if required, on favorable terms may, among other things, have the effect of reducing our liquidity or operational flexibility and have a material adverse effect on the combined company including the ability to obtain further financing, take advantage of certain growth opportunities and respond to comparatively better financed competitors. See "Risks Factors-Our substantial level of indebtedness could adversely affect our results of operations, cash flows, liquidity and ability to compete in our industry."

Satisfying the conditions under Dollar Thrifty's existing fleet financing arrangements to permit the sharing of rental vehicles and achieve optimal business sharing synergies may be more difficult, costly or time-consuming than expected, which may adversely affect our operations and financial results.

Some of the potential synergies from the Dollar Thrifty Acquisition that we have identified are expected to come from the sharing of rental vehicles. However, to permit such fleet sharing, certain conditions precedent specified under Dollar

ITEM 1A. RISK FACTORS (Continued)

Thrifty's existing fleet financing would need to be satisfied. Such conditions include, among other things, obtaining certain confirmations from each of the rating agencies rating each series of rental car asset backed medium term notes, as well as Dollar Thrifty's conduit fleet financing. Although Dollar Thrifty has agreed to use its reasonable best efforts to assist and cooperate with us in satisfying these conditions, there can be no assurance that such conditions will be satisfied on the desired terms and timing, or at all. If some or all of these conditions are not satisfied in a timely fashion or at all, then some of these synergies and the anticipated benefit of these synergies to the combined company will be diminished or unavailable.

If Hertz Holdings is unable to complete the Dollar Thrifty Acquisition, then our expected financial results could be adversely affected.

Consummation of the Dollar Thrifty Acquisition is subject to the tender of at least a majority of the shares of Dollar Thrifty common stock, as well as other customary closing conditions. The successful completion of the transaction is also subject to regulatory clearance by the Federal Trade Commission. If any condition to the Dollar Thrifty Acquisition is not satisfied or waived, the Dollar Thrifty Acquisition will not be completed. Hertz Holdings and Dollar Thrifty also may terminate the Merger Agreement under certain circumstances. To the extent the transaction is not completed for any reason, we would have devoted substantial resources and management attention to the transaction without realizing the accompanying benefits expected by our management, and our financial condition and results of operations may be adversely affected.

In order to obtain the regulatory approvals required to complete the Dollar Thrifty Acquisition, we and Dollar Thrifty may be required to comply with material restrictions or conditions that may negatively affect the combined company after the Dollar Thrifty Acquisition is completed.

Completion of the Dollar Thrifty Acquisition is conditioned upon the receipt of certain governmental approvals, including the expiration or termination of the applicable waiting periods under the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended.

The governmental authorities from which the requisite governmental approvals are required may impose conditions on the completion of the Dollar Thrifty Acquisition or require changes to the terms of the Dollar Thrifty Acquisition. Under the terms of the Merger Agreement, consistent with the companies' exercise of reasonable best efforts to obtain the necessary regulatory approvals, Hertz Holdings is required to take any and all actions required pursuant to the proposed consent agreement currently under discussion between Hertz Holdings and the staff of the United States Federal Trade Commission; provided that each such action shall be conditioned upon the consummation of the merger. The proposed consent agreement would require Hertz Holdings to, among other actions, take steps to divest its Advantage business, selected Dollar Thrifty airport concessions and certain other assets, contingent on a successful completion of the Dollar Thrifty Acquisition. Hertz Holdings has reached a definitive agreement with Adreca Holdings Corp., a subsidiary of Macquarie Capital which is expected to be operated by Franchise Services of North America Inc., providing for such contingent divestitures. There is no guarantee that regulatory authorities will not impose additional conditions to the consummation of the Dollar Thrifty Acquisition, such as divestiture of additional assets. If Hertz Holdings becomes subject to any additional material conditions in order to obtain any approvals required to complete the Dollar Thrifty Acquisition, the business and results of operations of the combined company could be adversely affected, or the Dollar Thrifty Acquisition may not be completed.

ITEM 6. EXHIBITS

(a) Exhibits:

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

SIGNATURE

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

Date: November 2, 2012

HERTZ GLOBAL HOLDINGS, INC.
(Registrant)

By: /s/ ELYSE DOUGLAS

Elyse Douglas

*Executive Vice President and Chief Financial Officer
(principal financial officer and duly authorized officer)*

EXHIBIT INDEX

Exhibit Number	Description
2.1.3	Agreement and Plan of Merger, dated as of August 26, 2012, by and among Hertz Global Holdings, Inc., HDTMS, Inc. and Dollar Thrifty Automotive Group, Inc. (Incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of Hertz Global Holdings, Inc., as filed on August 27, 2012).
4.6.1	Indenture, dated as of October 16, 2012, between HDTFS, Inc., as Issuer, and Wells Fargo Bank, National Association, as Trustee, providing for the issuance of notes in series.
4.6.2	First Supplemental Indenture, dated as of October 16, 2012, between HDTFS, Inc., as Issuer, and Wells Fargo Bank, National Association, as Trustee, relating to the 5.875% Senior Notes due 2020.
4.6.3	Second Supplemental Indenture, dated as of October 16, 2012, between HDTFS, Inc., as Issuer, and Wells Fargo Bank, National Association, as Trustee, relating to the 6.250% Senior Notes due 2022.
10.1.3	Incremental Commitment Amendment, dated as of October 9, 2012, to that certain Credit Agreement, dated as of March 11, 2011, among The Hertz Corporation, the several banks and financial institutions parties thereto that constitute Tranche B-1 Term Lenders, and Deutsche Bank AG New York Branch, as Administrative Agent (Incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K of Hertz Global Holdings, Inc., as filed on October 10, 2012).
10.31	Commitment Letter, dated as of August 26, 2012, by and among The Hertz Corporation, Barclays Bank PLC, Deutsche Bank AG Cayman Islands Branch, Deutsche Bank Securities Inc., Bank of America, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Hertz Global Holdings, Inc., as filed on August 27, 2012).
15	Letter from PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm, dated November 2, 2012, relating to Financial Information
31.1–31.2	Rule 13a-14(a)/15d-14(a) Certifications of Chief Executive Officer and Chief Financial Officer
32.1–32.2	18 U.S.C. Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*

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

* Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

HDTFS, INC.
as Issuer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

as Trustee

INDENTURE

DATED AS OF OCTOBER 16, 2012

PROVIDING FOR THE ISSUANCE OF NOTES IN SERIES

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Exhibit F	Form of Certificate from Acquiring Institutional Accredited Investors
Exhibit G	Form of Supplemental Indenture Establishing a Series of Notes

Certain Sections of this Indenture relating to Sections 310 through 318

inclusive of the Trust Indenture Act of 1939:

<u>Trust Indenture Act Section</u>	<u>Indenture Section</u>	
	§ 310(a)(1)	709
	(a)(2)	709
	(a)(3)	Not Applicable
	(a)(4)	Not Applicable
	(a)(5)	709
	(b)	708
	§ 310(a)	
	(b)	713
	§ 312(a)	
		801
		802
	(b)	802
	(c)	802
	§ 313(a)	803
	(b)	803
	(c)	803
	(d)	803
	§ 314(a)	405
	(a)(4)	406
	(b)	Not Applicable
	(c)(1)	106
	<u>(c)(2)</u>	106
	<u>(c)(3)</u>	Not Applicable
	<u>(d)</u>	Not Applicable
	<u>(e)</u>	106
	<u>§ 315(a)</u>	701
	(b)	702
		803
	(c)	701
	(d)	701
	<u>(e)</u>	614

Trust Indenture Act Section

Indenture Section

§ 316(a)	612
	613
(a)(1)(A)	602
	612
(a)(1)(B)	613
	Not
(a)(2)	Applicable
(b)	
	608
(c)	108
§ 317(a)(1)	
	603
(a)(2)	604
(b)	403
§ 318(a)	105

This cross-reference table shall not for any purpose be deemed to be part of this indenture.

INDENTURE, dated as of October 16, 2012 (as amended, supplemented or otherwise modified from time to time, this “Indenture”), between HDTFS, Inc., a corporation organized under the laws of the state of Delaware, as issuer, and Wells Fargo Bank, National Association, a national banking association, as Trustee.

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Notes.

All things necessary to make this Indenture a valid agreement of the Company in accordance with the terms of the Original Notes and this Indenture, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Notes by the Holders thereof, it is mutually agreed, for the benefit of all Holders of the Notes, as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS

OF GENERAL APPLICATION

Section 101. Definitions.

“2010 Senior Indenture” means the indenture, dated as of September 30, 2010, among Hertz, the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as Trustee, governing the 7.50% Senior Notes due 2018 of Hertz, as the same may be amended, supplemented, waived or otherwise modified from time to time.

“Acquired Indebtedness” means Indebtedness of a Person (i) existing at the time such Person becomes a Subsidiary or (ii) assumed in connection with the acquisition of assets from such Person, in each case other than Indebtedness Incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or such acquisition. Acquired Indebtedness shall be deemed to be Incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Subsidiary.

“Additional Assets” means (i) any property or assets that replace the property or assets that are the subject of an Asset Disposition; (ii) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Company or a Restricted Subsidiary or otherwise useful in a Related Business and any capital expenditures in respect of any property or assets already so used; (iii) the Capital Stock of a Person that is engaged in a Related Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or another Restricted Subsidiary; or (iv) Capital Stock of any Person that at such time

is a Restricted Subsidiary acquired from a third party.

“Additional Notes” means any notes issued under this Indenture in addition to the Original Notes (other than any Notes issued pursuant to Section 304, 305, 306, 312(c), 312(d) or 1008). “Affiliate” of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Applicable Premium” means, with respect to any series of Notes, “Applicable Premium” as such term is defined in the Notes Supplemental Indenture establishing such series of Notes.

“Asset Disposition” means any sale, lease, transfer or other disposition of shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares, or (in the case of a Foreign Subsidiary) to the extent required by applicable law), property or other assets (each referred to for the purposes of this definition as a “disposition”) by the Company or any of its Restricted Subsidiaries (including any disposition by means of a merger, consolidation or similar transaction), other than (*i*) a disposition to the Company or a Restricted Subsidiary, (*ii*) a disposition in the ordinary course of business, (*iii*) a disposition of Cash Equivalents, Investment Grade Securities or Temporary Cash Investments, (*iv*) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable, (*v*) any Restricted Payment Transaction, (*vi*) a disposition that is governed by Article V, (*vii*) any Financing Disposition, (*viii*) any “fee in lieu” or other disposition of assets to any governmental authority or agency that continue in use by the Company or any Restricted Subsidiary, so long as the Company or any Restricted Subsidiary may obtain title to such assets upon reasonable notice by paying a nominal fee, (*ix*) any exchange of property pursuant to or intended to qualify under Section 1031 (or any successor section) of the Code, or any exchange of equipment to be leased, rented or otherwise used in a Related Business, including pursuant to any LKE Program, (*x*) any financing transaction with respect to property built or acquired by the Company or any Restricted Subsidiary after the Issue Date, including without limitation any sale/leaseback transaction or asset securitization, (*xi*) any disposition arising from foreclosure, condemnation or similar action with respect to any property or other assets, or exercise of termination rights under any lease, license, concession or other agreement, or necessary or advisable (as determined by the Company in good faith) in order to consummate any acquisition of any Person, business or assets, or pursuant to buy/sell arrangements under any joint venture or similar agreement or arrangement, (*xii*) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary, (*xiii*) a disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its

business and assets (having been newly formed in connection with such acquisition), entered into in connection with such acquisition, (xiv) a disposition of not more than 5% of the outstanding Capital Stock of a Foreign Subsidiary that has been approved by the Board of Directors, (xv) any disposition or series of related dispositions for aggregate consideration not to exceed \$50.0 million, (xvi) any disposition of all or any part of the Capital Stock or business or assets of (a) Car Rental System do Brasil Locação de Veículos Ltda or any successor in interest thereto or (b) any other Subsidiary engaged in, or Special Purpose Entity otherwise supporting or relating to, the business of leasing or renting Vehicles in Brazil, (xvii) the abandonment or other disposition of trademarks, copyrights, patents or other intellectual property that are, in the good faith determination of the Company, no longer economically practicable to maintain or useful in the conduct of the business of the Company and its subsidiaries taken as a whole, (xviii) any HERC Disposition or (xix) any license, sublicense or other grant of right-of-use of any trademark, copyright, patent or other intellectual property, any lease or sublease of real or other property, or any disposition for Fair Market Value, to any Franchisee or any Franchise Special Purpose Entity.

“Authenticating Agent” means any Person authorized by the Trustee pursuant to Section 714 to act on behalf of the Trustee to authenticate Notes of one or more series.

“Average Book Value” means, for any period, the amount equal to (x) the sum of the respective book values of Rental Car Vehicles of the Company and its Restricted Subsidiaries as of the end of each of the most recent thirteen fiscal months of the Company that have ended at or prior to the end of such period, divided by (y) 13.

“Average Interest Rate” means, for any period, the amount equal to (x) the total interest expense of the Company and its Restricted Subsidiaries for such period (excluding any interest expense on any Indebtedness of any Special Purpose Subsidiary that is a Restricted Subsidiary directly or indirectly Incurred to finance or refinance the acquisition of, or secured by, Rental Car Vehicles and/or related rights and/or assets), divided by (y) the Average Principal Amount of Indebtedness of the Company and its Restricted Subsidiaries for such period (excluding any Indebtedness of any Special Purpose Subsidiary that is a Restricted Subsidiary directly or indirectly Incurred to finance or refinance the acquisition of, or secured by, Rental Car Vehicles and/or related rights and/or assets).

“Average Principal Amount” means, for any period, the amount equal to (x) the sum of the respective aggregate outstanding principal amounts of the applicable Indebtedness as of the end of each of the most recent thirteen fiscal months of the Company that have ended at or prior to the end of such period, divided by (y) 13.

“Bank Products Agreement” means any agreement pursuant to which a bank or other financial institution agrees to provide (a) treasury services, (b) credit card, merchant card, purchasing card or stored value card services (including, without limitation, the processing of payments and other administrative services with respect thereto), (c) cash management services (including, without limitation, controlled disbursement, automated clearinghouse transactions,

return items, netting, overdraft, depository, lockbox, stop payment, electronic funds transfer, information reporting, wire transfer and interstate depository network services) and (d) other banking products or services as may be requested by any Restricted Subsidiary (other than letters of credit and other than loans and advances except indebtedness arising from services described in clauses (a) through (c) of this definition).

“Bank Products Obligations” of any Person means the obligations of such Person pursuant to any Bank Products Agreement.

“Board of Directors” means, for any Person, the board of directors or other governing body of such Person or, if such Person is owned or managed by a single entity, the board of directors or other governing body of such entity, or, in either case, any committee thereof duly authorized to act on behalf of such board or governing body. Unless otherwise provided, “Board of Directors” means the Board of Directors of the Company.

“Borrowing Base” means the sum of (1) 60% of the book value of Inventory (excluding Equipment) of the Company and its Domestic Subsidiaries, (2) 85% of the book value of Receivables of the Company and its Domestic Subsidiaries, (3) 90% of the book value of Equipment of the Company and its Domestic Subsidiaries and (4) cash, Cash Equivalents, Investment Grade Securities and Temporary Cash Investments of the Company and its Domestic Subsidiaries (in each case, determined as of the end of the most recently ended fiscal month of the Company for which internal consolidated financial statements of the Company are available, and, in the case of any determination relating to any Incurrence of Indebtedness, on a pro forma basis including (x) any property or assets of a type described above acquired since the end of such fiscal month and (y) any property or assets of a type described above being acquired in connection therewith). The Borrowing Base, as of any date of determination, shall not include Inventory and Equipment the acquisition of which shall have been financed or refinanced by the Incurrence of Purchase Money Obligations pursuant to Section 407(b)(iv), to the extent such Purchase Money Obligations (or any Refinancing Indebtedness in respect thereof) shall then remain outstanding pursuant to such clause (on a pro forma basis after giving effect to any Incurrence of Indebtedness and the application of proceeds therefrom).

“Business Day” means a day other than a Saturday, Sunday or other day on which commercial banking institutions are authorized or required by law to close in New York City (or any other city in which a Paying Agent maintains its office).

“Capital Stock” of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“Capitalized Lease Obligation” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with GAAP. The Stated Maturity of any Capitalized Lease Obligation shall be the date of the last payment of rent or any other amount due under the related lease.

“Captive Insurance Subsidiary” means any Subsidiary of the Company that is subject to regulation as an insurance company (or any Subsidiary thereof).

“Carlyle” means TC Group L.L.C. (which operates under the trade name The Carlyle Group).

“Carlyle Investors” means, collectively, (i) Carlyle Partners IV, L.P., a Delaware limited partnership, or any successor thereto, (ii) CEP II Participations S.à.r.l., a Luxembourg limited liability company, or any successor thereto, (iii) CP IV Co-investment, L.P., a Delaware limited partnership, or any successor thereto, (iv) CEP II U.S. Investments, L.P., a Delaware limited partnership, or any successor thereto, (v) CMC-Hertz Partners, L.P., a Delaware limited partnership, or any successor thereto, (vi) any Affiliate of any thereof, and (vii) any successor in interest to any thereof.

“Cash Equivalents” means any of the following: (a) money, (b) securities issued or fully guaranteed or insured by the United States of America or Canada or a member state of the European Union or any agency or instrumentality of any thereof, (c) time deposits, certificates of deposit or bankers' acceptances of (i) any lender under a Senior Credit Agreement or any affiliate thereof or (ii) any commercial bank having capital and surplus in excess of \$500,000,000 (or the foreign currency equivalent thereof as of the date of such investment) and the commercial paper of the holding company of which is rated at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof by Moody's (or if at such time neither is issuing ratings, then a comparable rating of another nationally recognized rating agency), (d) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (b) and (c) above entered into with any financial institution meeting the qualifications specified in clause (c) above, (e) money market instruments, commercial paper or other short-term obligations rated at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof by Moody's (or if at such time neither is issuing ratings, then a comparable rating of another nationally recognized rating agency), (f) investments in money market funds subject to the risk limiting conditions of Rule 2a-7 or any successor rule of the SEC under the Investment Company Act of 1940, as amended, (g) investments similar to any of the foregoing denominated in foreign currencies approved by the Board of Directors, and (h) solely with respect to any Captive Insurance Subsidiary, any investment that person is permitted to make in accordance with applicable law.

“CDR” means Clayton, Dubilier & Rice, LLC and any successor in interest thereto, and any successor to its investment management business.

“CDR Investors” means, collectively, (i) Clayton, Dubilier & Rice Fund VII, L.P., a Cayman Islands exempted limited partnership, or any successor thereto, (ii) CDR CCMG Co-Investor L.P., a Cayman Islands exempted limited partnership, or any successor thereto, (iii) CD&R Parallel Fund VII, L.P., a Cayman Islands exempted limited partnership, or any successor thereto, (iv) any Affiliate of any thereof, and (v) any successor in interest to any thereof.

“Change of Control” means:

(i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders or a Parent, becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company, provided that (x) so long as the Company is a Subsidiary of any Parent, no “person” shall be deemed to be or become a “beneficial owner” of more than 50% of the total voting power of the Voting Stock of the Company unless such “person” shall be or become a “beneficial owner” of more than 50% of the total voting power of the Voting Stock of such Parent and (y) any Voting Stock of which any Permitted Holder is the “beneficial owner” shall not in any case be included in any Voting Stock of which any such “person” is the “beneficial owner”;

(ii) the Company merges or consolidates with or into, or sells or transfers (in one or a series of related transactions) all or substantially all of the assets of the Company and its Restricted Subsidiaries to, another Person (other than one or more Permitted Holders) and any “person” (as defined in clause (i) above), other than one or more Permitted Holders or any Parent, is or becomes the “beneficial owner” (as so defined), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the surviving Person in such merger or consolidation, or the transferee Person in such sale or transfer of assets, as the case may be, provided that (x) so long as such surviving or transferee Person is a Subsidiary of a parent Person, no “person” shall be deemed to be or become a “beneficial owner” of more than 50% of the total voting power of the Voting Stock of such surviving or transferee Person unless such “person” shall be or become a “beneficial owner” of more than 50% of the total voting power of the Voting Stock of such parent Person and (y) any Voting Stock of which any Permitted Holder is the “beneficial owner” shall not in any case be included in any Voting Stock of which any such “person” is the beneficial owner; or

(iii) during any period of two consecutive years (during which period the Company has been a party to this Indenture), individuals who at the beginning of such period were members of the board of directors of the Company (together with any new members thereof whose election by such board of directors or whose nomination for election by holders of Capital Stock of the Company was approved by one or more Permitted Holders or by a vote of a majority of the members of such board of directors then still in office who were either members thereof at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of such board of directors then in office.

For the purpose of this definition, the Reorganization Assets (whether individually or in the aggregate) shall not be deemed at any time to constitute all or substantially all of the assets of the Company and its Restricted Subsidiaries, and any sale or transfer of all or any part of the Reorganization Assets (whether directly or indirectly, whether by sale or transfer of any such

assets, or of any Capital Stock or other interest in any Person holding such assets, or of any combination thereof, and whether in one or more transactions, or otherwise) shall not be deemed at any time to constitute a sale or transfer of all or substantially all of the assets of the Company and its Restricted Subsidiaries.

“Clearstream” means Clearstream Banking, société anonyme, or any successor securities clearing agency.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commodities Agreement” means, in respect of a Person, any commodity futures contract, forward contract, option or similar agreement or arrangement (including derivative agreements or arrangements), as to which such Person is a party or beneficiary.

“Company” means (i) prior to the consummation of the Tender Offer and the assumption by Hertz of the obligations of Newco under the Notes and the Indenture, Newco and (ii) thereafter, Hertz and any successor in interest thereto.

“Company Request” and “Company Order” mean, respectively, a written request or order signed in the name of the Company by an Officer of the Company.

“Consolidated Coverage Ratio” as of any date of determination means the ratio of (i) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which consolidated financial statements of the Company are available to (ii) Consolidated Interest Expense for such four fiscal quarters, in each of the foregoing clauses (i) and (ii), determined for any fiscal quarter (or portion thereof) ending prior to the date of the Merger, on a pro forma basis to give effect to the Merger as if it had occurred at the beginning of such four-quarter period; *provided*, that

(1) if since the beginning of such period the Company or any Restricted Subsidiary has Incurred any Indebtedness that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period (except that in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the date of such calculation shall be computed based on (A) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which such facility was outstanding or (B) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation),

(2) if since the beginning of such period the Company or any Restricted Subsidiary has repaid, repurchased, redeemed, defeased or otherwise acquired, retired or discharged any

Indebtedness that is no longer outstanding on such date of determination (each, a “Discharge”) or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio involves a Discharge of Indebtedness (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid), Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Discharge of such Indebtedness, including with the proceeds of such new Indebtedness, as if such Discharge had occurred on the first day of such period,

(3) if since the beginning of such period the Company or any Restricted Subsidiary shall have disposed of any company, any business or any group of assets constituting an operating unit of a business (any such disposition, a “Sale”), the Consolidated EBITDA for such period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets that are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to (*A*) the Consolidated Interest Expense attributable to any Indebtedness of the Company or any Restricted Subsidiary repaid, repurchased, redeemed, defeased or otherwise acquired, retired or discharged with respect to the Company and its continuing Restricted Subsidiaries in connection with such Sale for such period (including but not limited to through the assumption of such Indebtedness by another Person) plus (*B*) if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period attributable to the Indebtedness of such Restricted Subsidiary to the extent the Company and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such Sale,

(4) if since the beginning of such period the Company or any Restricted Subsidiary (by merger, consolidation or otherwise) shall have made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise acquired any company, any business or any group of assets constituting an operating unit of a business, including any such Investment or acquisition occurring in connection with a transaction causing a calculation to be made hereunder (any such Investment or acquisition, a “Purchase”), Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any related Indebtedness) as if such Purchase occurred on the first day of such period, and

(5) if since the beginning of such period any Person became a Restricted Subsidiary or was merged or consolidated with or into the Company or any Restricted Subsidiary, and since the beginning of such period such Person shall have Discharged any Indebtedness or made any Sale or Purchase that would have required an adjustment pursuant to clause (2), (3) or (4) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Discharge, Sale or Purchase occurred on the first day of such period,

provided, that (in the event that the Company shall classify Indebtedness Incurred on the date of

determination as Incurred in part under Section 407(a) and in part under Section 407(b), as provided in Section 407(c)(iii) any such pro forma calculation of Consolidated Interest Expense shall not give effect to any such Incurrence of Indebtedness on the date of determination pursuant to Section 407(b) or to any Discharge of Indebtedness from the proceeds of any such Incurrence pursuant to Section 407(b).

For purposes of this definition, whenever pro forma effect is to be given to any Sale, Purchase or other transaction, or the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred or repaid, repurchased, redeemed, defeased or otherwise acquired, retired or discharged in connection therewith, the pro forma calculations in respect thereof (including without limitation in respect of anticipated cost savings or synergies relating to any such Sale, Purchase or other transaction) shall be as determined in good faith by the Chief Financial Officer or an authorized Officer of the Company. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness). If any Indebtedness bears, at the option of the Company or a Restricted Subsidiary, a rate of interest based on a prime or similar rate, a eurocurrency interbank offered rate or other fixed or floating rate, and such Indebtedness is being given pro forma effect, the interest expense on such Indebtedness shall be calculated by applying such optional rate as the Company or such Restricted Subsidiary may designate. If any Indebtedness that is being given pro forma effect was Incurred under a revolving credit facility, the interest expense on such Indebtedness shall be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate determined in good faith by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

“Consolidated EBITDA” means, for any period, the Consolidated Net Income for such period, plus (*x*) the following to the extent deducted in calculating such Consolidated Net Income, without duplication: (*i*) provision for all taxes (whether or not paid, estimated or accrued) based on income, profits or capital, (*ii*) Consolidated Interest Expense and any Special Purpose Financing Fees, (*iii*) depreciation (excluding Consolidated Vehicle Depreciation), amortization (including but not limited to amortization of goodwill and intangibles and amortization and write-off of financing costs) and all other noncash charges or noncash losses, (*iv*) any expenses or charges related to any Equity Offering, Investment or Indebtedness permitted by this Indenture (whether or not consummated or incurred, and including any offering or sale of Capital Stock to the extent the proceeds thereof were intended to be contributed to the equity capital of the Company or its Restricted Subsidiaries), (*v*) the amount of any minority interest expense and (*vi*) any management, monitoring, consulting and advisory fees and related expenses paid to any of Carlyle, CDR or ML and their respective Affiliates plus (*y*) the amount of net cost savings projected by the Company in good faith to be realized as the result of actions taken or to be taken on or prior to the date that is 24 months after the Effective Date, or 24

months after the consummation of any operational change, respectively (calculated on a pro forma basis as though such cost savings had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions (provided that the aggregate amount of such net cost savings included in Consolidated EBITDA pursuant to this clause (y) for any four consecutive quarter period shall not exceed 10% of Consolidated EBITDA for such period (calculated after giving effect to any adjustment pursuant to this clause (y))) (which adjustments shall not be duplicative of pro forma adjustments made pursuant to the definition of “Consolidated Coverage Ratio” or “Consolidated Secured Leverage Ratio”).

“Consolidated Interest Expense” means, for any period, (i) the total interest expense of the Company and its Restricted Subsidiaries to the extent deducted in calculating Consolidated Net Income, net of any interest income of the Company and its Restricted Subsidiaries, including without limitation any such interest expense consisting of (a) interest expense attributable to Capitalized Lease Obligations, (b) amortization of debt discount, (c) interest in respect of Indebtedness of any other Person that has been Guaranteed by the Company or any Restricted Subsidiary, but only to the extent that such interest is actually paid by the Company or any Restricted Subsidiary, (d) noncash interest expense, (e) the interest portion of any deferred payment obligation and (f) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing, plus (ii) Preferred Stock dividends paid in cash in respect of Disqualified Stock of the Company held by Persons other than the Company or a Restricted Subsidiary and minus (iii) to the extent otherwise included in such interest expense referred to in clause (i) above, (x) Consolidated Vehicle Interest Expense and (y) amortization or write-off of financing costs, in each case under clauses (i) through (iii) as determined on a Consolidated basis in accordance with GAAP (to the extent applicable, in the case of Consolidated Vehicle Interest Expense); *provided*, that gross interest expense shall be determined after giving effect to any net payments made or received by the Company and its Restricted Subsidiaries with respect to Interest Rate Agreements.

“Consolidated Net Income” means, for any period, the net income (loss) of the Company and its Restricted Subsidiaries, determined on a Consolidated basis in accordance with GAAP and before any reduction in respect of Preferred Stock dividends; *provided*, that there shall not be included in such Consolidated Net Income:

(i) any net income (loss) of any Person if such Person is not the Company or a Restricted Subsidiary, except that (A) the Company's or any Restricted Subsidiary's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in clause (ii) below) and (B) the Company's or any Restricted Subsidiary's equity in the net loss of such Person shall be included to the extent of the aggregate Investment of the Company or any of its Restricted Subsidiaries in such Person,

(ii) solely for purposes of determining the amount available for Restricted Payments under Section 409(a)(3)(A), any net income (loss) of any Restricted Subsidiary that is not a Subsidiary Guarantor if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of similar distributions by such Restricted Subsidiary, directly or indirectly, to the Company by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its stockholders (other than (x) restrictions that have been waived or otherwise released, (y) restrictions pursuant to the Notes or this Indenture and (z) restrictions in effect on the Effective Date with respect to a Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that taken as a whole are not materially less favorable to the Noteholders than such restrictions in effect on the Effective Date as determined by the Company in good faith), except that (A) the Company's equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of any dividend or distribution that was or that could have been made by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary (subject, in the case of a dividend that could have been made to another Restricted Subsidiary, to the limitation contained in this clause) and (B) the net loss of such Restricted Subsidiary shall be included to the extent of the aggregate Investment of the Company or any of its other Restricted Subsidiaries in such Restricted Subsidiary,

(iii) (x) any gain or loss realized upon the sale, abandonment or other disposition of any asset of the Company or any Restricted Subsidiary (including pursuant to any sale/leaseback transaction) that is not sold, abandoned or otherwise disposed of in the ordinary course of business (as determined in good faith by the Company) and (y) any gain or loss realized upon the disposal, abandonment or discontinuation of operations of the Company or any Restricted Subsidiary, and any income (loss) from disposed, abandoned or discontinued operations, including in each case any closure of any branch,

(iv) any item classified as an extraordinary, unusual or nonrecurring gain, loss or charge (including fees, expenses and charges associated with the Transactions and any acquisition, merger or consolidation after the Issue Date),

(v) the cumulative effect of a change in accounting principles,

(vi) all deferred financing costs written off and premiums paid in connection with any early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments,

(vii) any unrealized gains or losses in respect of Hedge Agreements,

(viii) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency

of such Person,

(ix) any noncash compensation charge arising from any grant of stock, stock options or other equity based awards,

(x) to the extent otherwise included in Consolidated Net Income, any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Company or any Restricted Subsidiary owing to the Company or any Restricted Subsidiary, and

(xi) any noncash charge, expense or other impact attributable to application of the purchase or recapitalization method of accounting (including the total amount of depreciation and amortization, cost of sales or other noncash expense resulting from the write-up of assets to the extent resulting from such purchase or recapitalization accounting adjustments).

In the case of any unusual or nonrecurring gain, loss or charge not included in Consolidated Net Income pursuant to clause (iv) above in any determination thereof, the Company will deliver an Officer's Certificate to the Trustee promptly after the date on which Consolidated Net Income is so determined, setting forth the nature and amount of such unusual or nonrecurring gain, loss or charge. Notwithstanding the foregoing, for the purpose of Section 409(a)(3)(A) only, there shall be excluded from Consolidated Net Income, without duplication, any income consisting of dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries to the Company or a Restricted Subsidiary, and any income consisting of return of capital, repayment or other proceeds from dispositions or repayments of Investments consisting of Restricted Payments, in each case to the extent such income would be included in Consolidated Net Income and such related dividends, repayments, transfers, return of capital or other proceeds are applied by the Company to increase the amount of Restricted Payments permitted under Section 409(a)(3)(C) or 409(a)(3)(D).

"Consolidated Quarterly Tangible Assets" means, as of any date of determination, the total assets less the sum of the goodwill, net, and other intangible assets, net, in each case reflected on the consolidated balance sheet of the Company and its Restricted Subsidiaries as at the end of any fiscal quarter of the Company for which such a balance sheet is available, determined on a Consolidated basis in accordance with GAAP (and, in the case of any determination relating to any Incurrence of Indebtedness or any Investment, on a pro forma basis including any property or assets being acquired in connection therewith).

"Consolidated Secured Indebtedness" means, as of any date of determination, an amount equal to (a) the Consolidated Total Indebtedness as of such date that in each case is then secured by Liens on property or assets of the Company and its Restricted Subsidiaries (other than property or assets held in a defeasance or similar trust or arrangement for the benefit of the Indebtedness secured thereby) minus (b) cash, Cash Equivalents, Investment Grade Securities and Temporary Cash Investments held by the Company and its Restricted Subsidiaries as of the

end of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which consolidated financial statements of the Company are available.

“Consolidated Secured Leverage Ratio” means, as of any date of determination, the ratio of (x) Consolidated Secured Indebtedness as at such date (after giving effect to any Incurrence or Discharge of Indebtedness on such date) to (y) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which consolidated financial statements of the Company are available, in each of the foregoing clauses (x) and (y), determined for any fiscal quarter (or portion thereof) ending prior to the date of the Merger, on a pro forma basis to give effect to the Merger as if it had occurred at the beginning of such four-quarter period, *provided*, that:

(1) if since the beginning of such period the Company or any Restricted Subsidiary shall have made a Sale, the Consolidated EBITDA for such period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets that are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period;

(2) if since the beginning of such period the Company or any Restricted Subsidiary (by merger, consolidation or otherwise) shall have made a Purchase (including any Purchase occurring in connection with a transaction causing a calculation to be made hereunder), Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period; and

(3) if since the beginning of such period any Person became a Restricted Subsidiary or was merged or consolidated with or into the Company or any Restricted Subsidiary, and since the beginning of such period such Person shall have made any Sale or Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period,

provided, that (in the event that the Company shall classify Indebtedness Incurred on the date of determination as secured in part pursuant to clause (s) of the “Permitted Liens” definition and in part pursuant to one or more other clauses of such definition, as provided in clause (z) of the final paragraph of such definition) any calculation of Consolidated Secured Indebtedness shall not include any such Indebtedness (and shall not give effect to any Discharge of Consolidated Secured Indebtedness from the proceeds thereof) to the extent secured pursuant to any such other clause of such definition.

For purposes of this definition, whenever pro forma effect is to be given to any Sale, Purchase or other transaction, or the amount of income or earnings relating thereto, the pro forma calculations in respect thereof (including without limitation in respect of anticipated cost savings or synergies relating to any such Sale, Purchase or other transaction) shall be as determined in

good faith by a responsible financial or accounting Officer of the Company.

“Consolidated Tangible Assets” means, as of any date of determination, the amount equal to (*x*) the sum of Consolidated Quarterly Tangible Assets as at the end of each of the most recently ended four fiscal quarters of the Company for which a calculation thereof is available, divided by (*y*) four; *provided* that for purposes of Section 407(b) , Section 409(b), Section 411 and the definitions of “Permitted Investment” and “Permitted Liens,” Consolidated Tangible Assets shall not be less than \$14,426.0 million.

“Consolidated Total Indebtedness” means, as of any date of determination, an amount equal to (*I*) the aggregate principal amount of outstanding Indebtedness of the Company and its Restricted Subsidiaries (other than Notes) as of such date consisting of (without duplication) Indebtedness for borrowed money (including Purchase Money Obligations and unreimbursed outstanding drawn amounts under funded letters of credit); Capitalized Lease Obligations; debt obligations evidenced by bonds, debentures, notes or similar instruments; Disqualified Stock; and (in the case of any Restricted Subsidiary that is not a Subsidiary Guarantor) Preferred Stock, determined on a Consolidated basis in accordance with GAAP (excluding items eliminated in Consolidation, and for the avoidance of doubt, excluding Hedging Obligations), minus (*2*) the amount of such Indebtedness consisting of Indebtedness of a type referred to in, or Incurred pursuant to, Section 407(b)(ix) to the extent not Incurred to finance or refinance the acquisition of Rental Car Vehicles, and minus (*3*) the Consolidated Vehicle Indebtedness as of such date.

“Consolidated Vehicle Depreciation” means, for any period, depreciation on all Rental Car Vehicles (after adjustments thereto), to the extent deducted in calculating Consolidated Net Income for such period.

“Consolidated Vehicle Indebtedness” means, as of any date of determination, the amount equal to either (*a*) the sum of (*x*) the aggregate principal amount of then outstanding Indebtedness of any Special Purpose Subsidiary that is a Restricted Subsidiary directly or indirectly Incurred to finance or refinance the acquisition of, or secured by, Rental Car Vehicles and/or related rights and/or assets plus (*y*) the aggregate principal amount of other then outstanding Indebtedness of the Company and its Restricted Subsidiaries that is attributable to the financing or refinancing of Rental Car Vehicles and /or related rights and/or assets, as determined in good faith by the Chief Financial Officer or an authorized Officer of the Company (which determination shall be conclusive) or, at the Company's option, (*b*) 90% of the book value of Rental Car Vehicles of the Company and its Restricted Subsidiaries (such book value being determined as of the end of the most recently ended fiscal month of the Company for which internal consolidated financial statements of the Company are available, on a pro forma basis including (*x*) any Rental Car Vehicles acquired by the Company or any Restricted Subsidiary since the end of such fiscal month and (*y*) in the case of any determination relating to any Incurrence of Indebtedness, any Rental Car Vehicles being acquired by the Company or any Restricted Subsidiary in connection therewith).

“Consolidated Vehicle Interest Expense” means, for any period, the sum of (*a*) the

aggregate interest expense for such period on any Indebtedness of any Special Purpose Subsidiary that is a Restricted Subsidiary directly or indirectly Incurred to finance or refinance the acquisition of, or secured by, Rental Car Vehicles and/or related rights and/or assets plus (b) either (x) the aggregate interest expense for such period on other Indebtedness of the Company and its Restricted Subsidiaries that is attributable to the financing or refinancing of Rental Car Vehicles and/or any related rights and/or assets, as determined in good faith by the Chief Financial Officer or an authorized Officer of the Company (which determination shall be conclusive) or, at the Company's option, (y) an amount of the total interest expense of the Company and its Restricted Subsidiaries for such period equal to (i) the Average Interest Rate for such period multiplied by (ii) the amount equal to (1) 90% of the Average Book Value for such period of Rental Car Vehicles of the Company and its Restricted Subsidiaries minus (2) the Average Principal Amount for such period of any Indebtedness of any Special Purpose Subsidiary that is a Restricted Subsidiary directly or indirectly Incurred to finance or refinance the acquisition of, or secured by, Rental Car Vehicles and/or related rights and/or assets.

“Consolidation” means the consolidation of the accounts of each of the Restricted Subsidiaries with those of the Company in accordance with GAAP; *provided that* “Consolidation” will not include consolidation of the accounts of any Unrestricted Subsidiary, but the interest of the Company or any Restricted Subsidiary in any Unrestricted Subsidiary will be accounted for as an investment. The term “Consolidated” has a correlative meaning.

“Contribution Amounts” means the aggregate amount of capital contributions applied by the Company to permit the Incurrence of Contribution Indebtedness pursuant to Section 407(b)(xii).

“Contribution Indebtedness” means Indebtedness of the Company or any Restricted Subsidiary in an aggregate principal amount not greater than twice the aggregate amount of cash contributions (other than Excluded Contributions) made to the capital of the Company or such Restricted Subsidiary after the Issue Date (whether through the issuance or sale of Capital Stock or otherwise); *provided that* such Contribution Indebtedness (a) is incurred within 180 days after the making of the related cash contribution and (b) is so designated as Contribution Indebtedness pursuant to an Officer's Certificate on the date of Incurrence thereof.

“Corporate Trust Office” means the office of the Trustee at which at any particular time its corporate trust business shall be administered, which office on the Issue Date is located at 45 Broadway, 14th Floor, New York, NY 10006, Attention: Corporate Trust Services - Administrator for HDTFS, Inc.

“Credit Facilities” means one or more of (i) the Senior Term Facility, (ii) the Senior ABL Facility, and (iii) any other facilities or arrangements designated by the Company, in each case with one or more banks or other lenders or institutions providing for revolving credit loans, term loans, receivables or fleet financings (including without limitation through the sale of receivables or fleet assets to such institutions or to special purpose entities formed to borrow from such institutions against such receivables or fleet assets or the creation of any Liens in respect of such

receivables or fleet assets in favor of such institutions), letters of credit or other Indebtedness, in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with any of the foregoing, including but not limited to any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledge agreements, security agreements and collateral documents, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original banks, lenders or institutions or other banks, lenders or institutions or otherwise, and whether provided under any original Credit Facility or one or more other credit agreements, indentures, financing agreements or other Credit Facilities or otherwise). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement (*i*) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (*ii*) adding Subsidiaries as additional borrowers or guarantors thereunder, (*iii*) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (*iv*) otherwise altering the terms and conditions thereof.

"Credit Facility Indebtedness" means any and all amounts, whether outstanding on the Effective Date or thereafter incurred, payable under or in respect of any Credit Facility, including without limitation principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company or any Restricted Subsidiary whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees, other monetary obligations of any nature and all other amounts payable thereunder or in respect thereof.

"Currency Agreement" means, in respect of a Person, any foreign exchange contract, currency swap agreement or other similar agreement or arrangements (including derivative agreements or arrangements), as to which such Person is a party or a beneficiary.

"Default" means any event or condition that is, or after notice or passage of time or both would be, an Event of Default.

"Depository" means The Depository Trust Company, its nominees and successors.

"Designated Noncash Consideration" means the Fair Market Value of noncash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Noncash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation.

"Designated Senior Indebtedness" means, with respect to a Person, (*i*) the Credit Facility Indebtedness under or in respect of the Senior Credit Facilities and (*ii*) any other Senior Indebtedness of such Person that, at the date of determination, has an aggregate principal amount equal to or under which, at the date of determination, the holders thereof are committed to lend up to, at least \$25.0 million and is specifically designated by such Person in an agreement or

instrument evidencing or governing such Senior Indebtedness as “Designated Senior Indebtedness” for purposes of this Indenture.

“Disinterested Directors” means, with respect to any Affiliate Transaction, one or more members of the Board of Directors of the Company, or one or more members of the Board of Directors of a Parent, having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of any such Board of Directors shall not be deemed to have such a financial interest by reason of such member's holding Capital Stock of the Company or any Parent or any options, warrants or other rights in respect of such Capital Stock.

“Disqualified Stock” means, with respect to any Person, any Capital Stock (other than Management Stock) that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) or upon the happening of any event (other than following the occurrence of a Change of Control or other similar event described under such terms as a “change of control,” or “asset sale,” or “asset disposition”) (i) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (ii) is convertible or exchangeable for Indebtedness or Disqualified Stock or (iii) is redeemable at the option of the holder thereof (other than following the occurrence of a Change of Control or other similar event described under such terms as a “change of control,” or “asset sale,” or “asset disposition”), in whole or in part, in each case on or prior to the final Stated Maturity of the Notes; *provided* that Capital Stock issued to any employee benefit plan, or by any such plan to any employees of the Company or any Subsidiary, shall not constitute Disqualified Stock solely because it may be required to be repurchased or otherwise acquired or retired in order to satisfy applicable statutory or regulatory obligations.

“Dollar Thrifty” means Dollar Thrifty Automotive Group, Inc., a Delaware corporation.

“Dollars” or “\$” means dollars in lawful currency of the United States of America.

“Domestic Subsidiary” means any Restricted Subsidiary of the Company other than a Foreign Subsidiary.

“Effective Date” means the Escrow Release Date.

“Equipment” means (a) any Vehicles and (b) any equipment owned by or leased to the Company or any of its Subsidiaries that is revenue earning equipment, or is classified as “revenue earning equipment” in the consolidated financial statements of the Company, including any such equipment consisting of (i) construction, industrial, commercial and office equipment, (ii) earthmoving, material handling, compaction, aerial and electrical equipment, (iii) air compressors, pumps and small tools, and (iv) other personal property.

“Equity Offering” means a sale of Capital Stock (x) that is a sale of Capital Stock of the Company (other than Disqualified Stock), or (y) proceeds of which in an amount equal to or exceeding the Redemption Amount are contributed to the equity capital of the Company or any

of its Restricted Subsidiaries.

“Escrow Account” has the meaning assigned to such term in the Escrow Agreement.

“Escrow Agent” means Wells Fargo Bank, National Association, in its capacity as Escrow Agent pursuant to the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated as of October 16, 2012, among Wells Fargo Bank, National Association (acting in its capacities as the Escrow Agent thereunder and as Trustee) and Newco.

“Escrowed Funds” has the meaning assigned to such term in the Escrow Agreement.

“Escrow Release” means the release the Escrowed Funds to, or at the order of, the Company pursuant to the Escrow Agreement.

“Escrow Release Date” means the date of occurrence of the Escrow Release.

“Euroclear” means Euroclear Bank S.A./N.V., as operator of the Euroclear System, or any successor securities clearing agency.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exchange Notes” means Notes containing terms substantially identical to the Initial Notes or any Initial Additional Notes of a particular series (and any Notes issued in respect of any of the foregoing Notes pursuant to Section 304, 305, 306, 312(c), 312(d) or 1008) (except that (i) such Exchange Notes may omit terms with respect to transfer restrictions and may be registered under the Securities Act, and (ii) certain provisions relating to an increase in the stated rate of interest thereon may be eliminated), that are issued and exchanged for (a) the Initial Notes, as provided for in a registration rights agreement relating to such Initial Notes and this Indenture (including any amendment or supplement hereto), or (b) such Initial Additional Notes, as may be provided in any registration rights agreement relating to such Additional Notes and this Indenture (including any amendment or supplement hereto).

“Excluded Contribution” means Net Cash Proceeds, or the Fair Market Value of property or assets, received by the Company as capital contributions to the Company after December 21, 2005, or from the issuance or sale (other than to a Restricted Subsidiary) of Capital Stock (other than Disqualified Stock) of the Company, in each case to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Company and not previously included in the calculation set forth in Section 409(a)(3)(B)(x) for purposes of determining whether a Restricted Payment may be made.

“Fair Market Value” means, with respect to any asset or property, the fair market value of such asset or property as determined in good faith by the Company, whose determination will be conclusive.

“Financing Disposition” means any sale, transfer, conveyance or other disposition of, or creation or incurrence of any Lien on, property or assets by the Company or any Subsidiary thereof to or in favor of any Special Purpose Entity, or by any Special Purpose Subsidiary, in each case in connection with the Incurrence by a Special Purpose Entity of Indebtedness, or obligations to make payments to the obligor on Indebtedness, which may be secured by a Lien in respect of such property or assets.

“Fixed GAAP Date” means December 21, 2005, provided that at any time after the Issue Date, the Company may by written notice to the Trustee elect to change the Fixed GAAP Date to be the date specified in such notice, and upon such notice, the Fixed GAAP Date shall be such date for all periods beginning on and after the date specified in such notice.

“Fixed GAAP Terms” means (a) the definitions of the terms “Borrowing Base,” “Capitalized Lease Obligation,” “Consolidated Coverage Ratio,” “Consolidated EBITDA,” “Consolidated Interest Expense,” “Consolidated Net Income,” “Consolidated Quarterly Tangible Assets,” “Consolidated Secured Indebtedness,” “Consolidated Secured Leverage Ratio,” “Consolidated Tangible Assets,” “Consolidated Total Indebtedness,” “Consolidated Vehicle Depreciation,” “Consolidated Vehicle Indebtedness,” “Consolidated Vehicle Interest Expense,” “Foreign Borrowing Base,” “Inventory,” and “Receivable,” (b) all defined terms in this Indenture to the extent used in or relating to any of the foregoing definitions, and all ratios and computations based on any of the foregoing definitions, and (c) any other term or provision of this Indenture or the Notes that, at the Company's election, may be specified by the Company by written notice to the Trustee from time to time.

“Foreign Borrowing Base” means the sum of (1) 60% of the book value of Inventory (excluding Equipment) of Foreign Subsidiaries, (2) 85% of the book value of Receivables of Foreign Subsidiaries, (3) 90% of the book value of Equipment of Foreign Subsidiaries and (4) cash, Cash Equivalents, Investment Grade Securities and Temporary Cash Investments of Foreign Subsidiaries (in each case, determined as of the end of the most recently ended fiscal month of the Company for which internal consolidated financial statements of the Company are available, and, in the case of any determination relating to any Incurrence of Indebtedness, on a pro forma basis including (x) any property or assets of a type described above acquired since the end of such fiscal month and (y) any property or assets of a type described above being acquired in connection therewith). The Foreign Borrowing Base, as of any date of determination, shall not include Inventory and Equipment the acquisition of which shall have been financed or refinanced by the Incurrence of Purchase Money Obligations pursuant to Section 407(b)(iv), to the extent such Purchase Money Obligations (or any Refinancing Indebtedness in respect thereof) shall then remain outstanding pursuant to such clause (on a pro forma basis after giving effect to any Incurrence of Indebtedness and the application of proceeds therefrom).

“Foreign Subsidiary” means (a) any Restricted Subsidiary of the Company that is not organized under the laws of the United States of America or any state thereof or the District of Columbia and (b) any Restricted Subsidiary of the Company that has no material assets other than securities or Indebtedness of one or more Foreign Subsidiaries (or Subsidiaries thereof),

intellectual property relating to such Foreign Subsidiaries (or Subsidiaries thereof) and other assets relating to an ownership interest in any such securities, Indebtedness, intellectual property or Subsidiaries.

“Franchise Equipment” means (a) any Franchise Vehicles and (b) any equipment owned by or leased to any Franchisee that is revenue earning equipment, or is of a type that would be classified as “revenue earning equipment” in the consolidated financial statements of the Company, including any such equipment consisting of (i) construction, industrial, commercial and office equipment, (ii) earthmoving, material handling, compaction, aerial and electrical equipment, (iii) air compressors, pumps and small tools, and (iv) other personal property.

“Franchise Financing Disposition” means any sale, transfer, conveyance or other disposition of, or creation or incurrence of any Lien on, property or assets by the Company or any Subsidiary thereof to or in favor of any Franchise Special Purpose Entity, in connection with the Incurrence by a Franchise Special Purpose Entity of Indebtedness, or obligations to make payments to the obligor on Indebtedness, which may be secured by a Lien in respect of such property or assets.

“Franchise Lease Obligation” means any Capitalized Lease Obligation, and any other lease, of any Franchisee relating to any property used, occupied or held for use or occupation by any Franchisee in connection with any of its Franchise Equipment operations.

“Franchise Rental Car Vehicles” means all passenger Franchise Vehicles owned by or leased to any Franchisee or any Franchise Special Purpose Entity that are or have been offered for lease or rental by any Franchisee in its car rental operations, including any such Franchise Vehicles being held for sale.

“Franchise SPE Fleet Amount” as of any date of determination means, with respect to any Indebtedness or Investment, an amount equal to 90% of the aggregate book value of Franchise Rental Car Vehicles and/or other Franchise Equipment of any Franchise Special Purpose Entity (such book value being determined as of the end of the most recently ended fiscal month of such Franchise Special Purpose Entity for which internal financial statements (or other requisite borrowing base or financial information) are available to the Company, and (at the Company's option) on a pro forma basis including any Franchise Rental Car Vehicles and/or other Franchise Equipment acquired by such Franchise Special Purpose Entity since the end of such fiscal month or being acquired by such Franchise Special Purpose Entity in connection with its Incurrence of such Indebtedness or the making of such Investment).

“Franchise Special Purpose Entity” means any Person (a) that is engaged in the business of (i) acquiring, selling, collecting, financing or refinancing Receivables, accounts (as defined in the Uniform Commercial Code as in effect in any jurisdiction from time to time), other accounts and/or other receivables, and/or related assets, and/or (ii) acquiring, selling, leasing, financing or refinancing Franchise Rental Car Vehicles and/or other Franchise Equipment, and/or related rights (including under leases, manufacturer warranties and buy-back programs, and insurance

policies) and/or assets (including managing, exercising and disposing of any such rights and/or assets), and (b) is designated as a “Franchise Special Purpose Entity” by the Company.

“Franchise Vehicle Indebtedness” as of any date of determination means (a) Indebtedness of any Franchise Special Purpose Entity directly or indirectly Incurred to finance or refinance the acquisition of, or secured by, Franchise Rental Car Vehicles and/or other Franchise Equipment and/or related rights and/or assets, in an aggregate principal amount (as to such Franchise Special Purpose Entity, and taken together with the aggregate amount of Investments then outstanding pursuant to clause (xix)(1) of the definition of “Permitted Investments”) not exceeding the Franchise SPE Fleet Amount, (b) Indebtedness of any Franchisee or any Affiliate thereof that is attributable to the financing or refinancing of Franchise Rental Car Vehicles and/or other Franchise Equipment and/or related rights and/or assets, as determined in good faith by the Chief Financial Officer or an authorized Officer of the Company (which determination shall be conclusive), in an aggregate principal amount (as to such Franchisee and all Affiliates thereof, and taken together with the aggregate amount of Investments then outstanding pursuant to clause (xix)(2) of the definition of “Permitted Investments”) not exceeding the Franchisee Asset Value Amount and (c) Indebtedness of any Franchisee in an aggregate principal amount (as to all such Franchisees, and taken together with the aggregate amount of Investments then outstanding pursuant to clause (xix)(3) of the definition of “Permitted Investments”) not exceeding the Franchisee Revenue Amount.

“Franchise Vehicles” means vehicles owned or operated by, or leased or rented to or by, any Franchisee, including automobiles, trucks, tractors, trailers, vans, sport utility vehicles, buses, campers, motor homes, motorcycles and other motor vehicles.

“Franchisee” means any Person that is a franchisee of the Company or any of its Subsidiaries (or of any other Franchisee), or any Affiliate of such Person.

“Franchisee Asset Value Amount” as of any date of determination means, with respect to any Indebtedness or Investment, an amount equal to 80% of the aggregate fair market value of Franchise Rental Car Vehicles and/or other Franchise Equipment of any Franchisee or any Affiliate (such fair market value being as determined in good faith by the Chief Financial Officer or an authorized Officer of the Company (which determination shall be conclusive) as of the end of the most recently ended fiscal month of the Company for which internal consolidated financial statements of the Company are available, and (at the Company's option) on a pro forma basis including any Franchise Rental Car Vehicles and/or other Franchise Equipment acquired by such Franchisee or any Affiliate thereof since the end of such fiscal month or being acquired by such Franchisee or any Affiliate thereof in connection with its Incurrence of such Indebtedness or the making of such Investment).

“Franchisee Revenue Amount” as of any date of determination means, with respect to any Indebtedness or Investment, an amount equal to 10% of the aggregate revenues of all Franchisees for the period of the most recent four consecutive fiscal quarters ending prior to such date for which consolidated financial statements of the Company are available (such amount

being as determined in good faith by the Chief Financial Officer or an authorized Officer of the Company, which determination shall be conclusive).

“GAAP” means generally accepted accounting principles in the United States of America as in effect on the Fixed GAAP Date (for purposes of the Fixed GAAP Terms) and as in effect from time to time (for all other purposes of this Indenture), including those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession, and subject to the following: If at any time the SEC permits or requires U.S.-domiciled companies subject to the reporting requirements of the Exchange Act to use IFRS in lieu of GAAP for financial reporting purposes, the Company may elect by written notice to the Trustee to so use IFRS in lieu of GAAP and, upon any such notice, references herein to GAAP shall thereafter be construed to mean (a) for periods beginning on and after the date specified in such notice, IFRS as in effect on the date specified in such notice (for purposes of the Fixed GAAP Terms) and as in effect from time to time (for all other purposes of this Indenture) and (b) for prior periods, GAAP as defined in the first sentence of this definition. All ratios and computations based on GAAP contained in this Indenture shall be computed in conformity with GAAP.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person; *provided* that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a corresponding meaning.

“Guarantor Subordinated Obligations” means, with respect to a Subsidiary Guarantor, any Indebtedness of such Subsidiary Guarantor (whether outstanding on the Effective Date or thereafter Incurred) that is expressly subordinated in right of payment to the obligations of such Subsidiary Guarantor under its Subsidiary Guarantee pursuant to a written agreement.

“Hedge Agreements” means, collectively, Interest Rate Agreements, Currency Agreements and Commodities Agreements.

“Hedging Obligations” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodities Agreement.

“HERC” means Hertz Equipment Rental Corporation, a Delaware corporation, and any successor in interest thereto, and any of the Company's other Subsidiaries and successors in interest thereto to the extent any of such Subsidiaries form part of the HERC Business.

“HERC Assets” means the assets of HERC that relate to or form part of the HERC Business.

“HERC Business” means the industrial, construction and material handling equipment

rental business of the Company and its Subsidiaries including, without limitation, the business of renting earthmoving equipment, material handling equipment, aerial and electrical equipment, air compressors, generators, pumps, small tools, compaction equipment and construction related trucks and the selling of new equipment and consumables.

“HERC Disposition” means (i) any sale or other disposition of Capital Stock of HERC (whether by issuance or sale of Capital Stock, merger, or otherwise) or any Subsidiary thereof to one or more Persons (other than the Company or a Restricted Subsidiary) in any transaction or series of related transactions following the consummation of which HERC or such Subsidiary is no longer a Restricted Subsidiary of the Company (excluding any HERC Offering) or (ii) any sale or other disposition of all or substantially all of the assets of HERC and/or one or more of its Subsidiaries to one or more Persons (other than the Company or a Restricted Subsidiary) in any transaction or series of related transactions.

“HERC Offering” means a public offering of Capital Stock of HERC pursuant to a registration statement filed with the SEC.

“Hertz” means The Hertz Corporation, a Delaware corporation, and any successor in interest thereto.

“Hertz Investors” means Hertz Investors, Inc., a Delaware corporation, and any successor in interest thereto.

“Holder” or “Noteholder” means the Person in whose name a Note is registered in the Note Register.

“Holding” means Hertz Global Holdings, Inc., a Delaware corporation, and any successor in interest thereto.

“IFRS” means International Financial Reporting Standards and applicable accounting requirements set by the International Accounting Standards Board or any successor thereto (or the Financial Accounting Standards Board, the Accounting Principles Board of the American Institute of Certified Public Accountants, or any successor to either such Board, or the SEC, as the case may be), as in effect from time to time.

“Incur” means issue, assume, enter into any Guarantee of, incur or otherwise become liable for; and the terms “Incurs,” “Incurred” and “Incurrence” shall have a correlative meaning; *provided*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Subsidiary at the time it becomes a Subsidiary. Accrual of interest, the accretion of accreted value, the payment of interest in the form of additional Indebtedness, and the payment of dividends on Capital Stock constituting Indebtedness in the form of additional shares of the same class of Capital Stock, will not be deemed to be an Incurrence of Indebtedness. Any Indebtedness issued at a discount (including Indebtedness on

which interest is payable through the issuance of additional Indebtedness) shall be deemed Incurred at the time of original issuance of the Indebtedness at the initial accreted amount thereof.

“Indebtedness” means, with respect to any Person on any date of determination (without duplication):

- (i) the principal of indebtedness of such Person for borrowed money,
- (ii) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments,
- (iii) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit, bankers' acceptances or other instruments plus the aggregate amount of drawings thereunder that have not then been reimbursed),
- (iv) all obligations of such Person to pay the deferred and unpaid purchase price of property (except Trade Payables), which purchase price is due more than one year after the date of placing such property in final service or taking final delivery and title thereto,
- (v) all Capitalized Lease Obligations of such Person,
- (vi) the redemption, repayment or other repurchase amount of such Person with respect to any Disqualified Stock of such Person or (if such Person is a Subsidiary of the Company other than a Subsidiary Guarantor) any Preferred Stock of such Subsidiary, but excluding, in each case, any accrued dividends (the amount of such obligation to be equal at any time to the maximum fixed involuntary redemption, repayment or repurchase price for such Capital Stock, or if less (or if such Capital Stock has no such fixed price), to the involuntary redemption, repayment or repurchase price therefor calculated in accordance with the terms thereof as if then redeemed, repaid or repurchased, and if such price is based upon or measured by the fair market value of such Capital Stock, such fair market value shall be as determined in good faith by the Company),
- (vii) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided that the amount of Indebtedness of such Person shall be the lesser of (A) the fair market value of such asset at such date of determination (as determined in good faith by the Company) and (B) the amount of such Indebtedness of such other Persons,
- (viii) all Guarantees by such Person of Indebtedness of other Persons, to the

extent so Guaranteed by such Person, and

(ix) to the extent not otherwise included in this definition, net Hedging Obligations of such Person (the amount of any such obligation to be equal at any time to the termination value of such agreement or arrangement giving rise to such Hedging Obligation that would be payable by such Person at such time).

The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in this Indenture, or otherwise shall equal the amount thereof that would appear as a liability on a balance sheet of such Person (excluding any notes thereto) prepared in accordance with GAAP.

“Initial Additional Notes” means Additional Notes issued in an offering not registered under the Securities Act (and any Notes issued in respect of any of the foregoing Notes pursuant to Section 304, 305, 306, 312(c), 312(d) or 1008).

“Initial Notes” means (a) the Company's 5.875% Senior Notes due 2020 issued on the Issue Date pursuant to the first Notes Supplemental Indenture in an aggregate principal amount of \$700 million (and any Notes issued in respect thereof pursuant to Section 304, 305, 306, 312(c), 312(d) or 1008) and (b) the Company's 6.250% Senior Notes due 2022 issued on the Issue Date pursuant to the second Notes Supplemental Indenture in an aggregate principal amount of \$500 million (and any Notes issued in respect thereof pursuant to Section 304, 305, 306, 312(c), 312(d) or 1008).

“interest,” with respect to the Notes, means interest on the Notes and, except for purposes of Article IX, additional or special interest pursuant to the terms of any Note.

“Interest Payment Date” means, when used with respect to any Note and any installment of interest thereon, the date specified in such Note as the fixed date on which such installment of interest is due and payable, as set forth in such Note.

“Interest Rate Agreement” means, with respect to any Person, any interest rate protection agreement, future agreement, option agreement, swap agreement, cap agreement, collar agreement, hedge agreement or other similar agreement or arrangement (including derivative agreements or arrangements), as to which such Person is party or a beneficiary.

“Inventory” means goods held for sale, lease or use by a Person in the ordinary course of business, net of any reserve for goods that have been segregated by such Person to be returned to the applicable vendor for credit, as determined in accordance with GAAP.

“Investment” in any Person by any other Person means any direct or indirect advance, loan or other extension of credit (other than to customers, dealers, licensees, franchisees, suppliers, consultants, directors, officers or employees of any Person in the ordinary course of business) or capital contribution (by means of any transfer of cash or other property to others or

any payment for property or services for the account or use of others) to, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such Person. For purposes of the definition of “Unrestricted Subsidiary” and Section 409 only, (i) “Investment” shall include the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of the Company at the time that such Subsidiary is designated an Unrestricted Subsidiary, *provided* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company shall be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to (x) the Company's “Investment” in such Subsidiary at the time of such redesignation less (y) the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation, and (ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value (as determined in good faith by the Company) at the time of such transfer. Guarantees shall not be deemed to be Investments. The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment; *provided*, that to the extent that the amount of Restricted Payments outstanding at any time is so reduced by any portion of any such amount or value that would otherwise be included in the calculation of Consolidated Net Income, such portion of such amount or value shall not be so included for purposes of calculating the amount of Restricted Payments that may be made pursuant to Section 409(a).

“Investment Grade Rating” means a rating of Baa3 or better by Moody's and BBB- or better by S&P (or, in either case, the equivalent of such rating by such organization), or an equivalent rating by any other Rating Agency.

“Investment Grade Securities” means (i) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents); (ii) debt securities or debt instruments with a rating of Baa3 or better by Moody's or BBB- or better by S&P (or, in either case, the equivalent of such rating by such organization) or an equivalent rating by any other Rating Agency, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; (iii) investments in any fund that invests exclusively in investments of the type described in clauses (i) and (ii), which fund may also hold immaterial amounts of cash pending investment or distribution; and (iv) corresponding instruments in countries other than the United States customarily utilized for high quality investments.

“Investors” means (i) the CDR Investors, Carlyle Investors and Merrill Lynch Investors, (ii) any Person that acquired Voting Stock of Holding on or prior to December 21, 2005, and any Affiliate of such Person, and (iii) any of their respective successors in interest.

“Issue Date” means October 16, 2012, the first date on which Initial Notes were issued.

“Lien” means any mortgage, pledge, security interest, encumbrance, lien or charge of any

kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

“LKE Account” means any deposit, trust, investment or similar account maintained by, for the benefit of, or under the control of the “qualified intermediary” in connection with an LKE Program.

“LKE Program” means any “like-kind-exchange program” with respect to certain of the Equipment and/or Vehicles of Hertz and its Subsidiaries, under which such Equipment and/or Vehicles will be disposed from time to time and proceeds of such dispositions will be held in an LKE Account and used to acquire replacement Equipment and/or Vehicles and/or repay indebtedness secured by such Equipment and/or Vehicles, in a series of transactions intended to qualify as a “like-kind-exchange” within the meaning of the Code.

“Management Advances” means (1) loans or advances made to directors, officers, employees or consultants of any Parent, the Company or any Restricted Subsidiary (x) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business, (y) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility, or (z) in the ordinary course of business and (in the case of this clause (z)) not exceeding \$15.0 million in the aggregate outstanding at any time, (2) promissory notes of Management Investors acquired in connection with the issuance of Management Stock to such Management Investors, (3) Management Guarantees, or (4) other Guarantees of borrowings by Management Investors in connection with the purchase of Management Stock, which Guarantees are permitted under Section 407.

“Management Agreements” means, collectively, (i) the Stock Subscription Agreements, each dated as of December 21, 2005, between Holding and each of the Investors party thereto, (ii) the Consulting Agreements, each dated as of December 21, 2005, among Holding and The Hertz Corporation and each of CDR, TC Group IV, L.L.C. and Merrill Lynch Global Partners, Inc., or Affiliates thereof, respectively, (iii) the Indemnification Agreements, each dated as of December 21, 2005, among Holding and The Hertz Corporation and each of (a) CDR and each CDR Investor, (b) TC Group IV, L.L.C. and each Carlyle Investor and (c) ML and each Merrill Lynch Investor, or Affiliates thereof, respectively, (iv) the Registration Rights Agreement, dated as of December 21, 2005, among Holding and the Investors party thereto and any other Person party thereto from time to time, (v) the Stockholders Agreement, dated as of December 21, 2005, by and among Holding and the Investors party thereto and any other Person party thereto from time to time, and (vi) the Stock Subscription Agreements, each dated May 19, 2009, between Holding and each of Clayton, Dubilier & Rice Fund VII, L.P., CD&R Parallel Fund VII, L.P., Carlyle Partners IV, L.P., and CP IV Coinvestment, L.P., in each case in clauses (i) through (vi) as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of this Indenture.

“Management Guarantees” means guarantees (x) of up to an aggregate principal amount outstanding at any time of \$20.0 million of borrowings by Management Investors in connection

with their purchase of Management Stock or (y) made on behalf of, or in respect of loans or advances made to, directors, officers, employees or consultants of any Parent, the Company or any Restricted Subsidiary (1) in respect of travel, entertainment and moving related expenses incurred in the ordinary course of business, or (2) in the ordinary course of business and (in the case of this clause (2)) not exceeding \$15.0 million in the aggregate outstanding at any time.

“Management Investors” means the officers, directors, employees and other members of the management of any Parent, the Company or any of their respective Subsidiaries, or family members or relatives thereof (*provided* that, solely for purposes of the definition of “Permitted Holders,” such relatives shall include only those Persons who are or become Management Investors in connection with estate planning for or inheritance from other Management Investors, as determined in good faith by the Company, which determination shall be conclusive), or trusts, partnerships or limited liability companies for the benefit of any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company or any Parent.

“Management Stock” means Capital Stock of the Company or any Parent (including any options, warrants or other rights in respect thereof) held by any of the Management Investors.

“Merger” means the merger of Merger Sub with and into Dollar Thrifty.

“Merger Agreement” means that certain Agreement and Plan of Merger (together with the schedules delivered in connection therewith) dated as of August 26, 2012, by and among Holding, Merger Sub, and Dollar Thrifty, as such agreement may be amended, supplemented, waived or otherwise modified from time to time.

“Merger Sub” means HDTMS, Inc., a Delaware corporation, and any successor in interest thereto.

“Merrill Lynch Investors” means, collectively, (i) ML Global Private Equity Fund, L.P., a Cayman Islands exempted limited partnership, or any successor thereto, (ii) Merrill Lynch Ventures L.P. 2001, a Delaware limited partnership, or any successor thereto, (iii) CMC-Hertz Partners, L.P., a Delaware limited partnership, or any successor thereto, (iv) ML Hertz Co-Investor, L.P., a Delaware limited partnership, or any successor thereto, (v) any Affiliate of any thereof, and (vi) any successor in interest to any thereof.

“ML” means Merrill Lynch Global Private Equity, Inc. (formerly known as Merrill Lynch Global Partners, Inc.), or any successor thereto.

“Moody's” means Moody's Investors Service, Inc., and its successors.

“Net Available Cash” from an Asset Disposition means an amount equal to the cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when

received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other noncash form) therefrom, in each case net of (i) all legal, title and recording tax expenses, commissions and other fees and expenses incurred, and all Federal, state, provincial, foreign and local taxes required to be paid or to be accrued as a liability under GAAP, as a consequence of such Asset Disposition (including as a consequence of any transfer of funds in connection with the application thereof in accordance with Section 411), (ii) all payments made, and all installment payments required to be made, on any Indebtedness (x) that is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or (y) that must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition, including but not limited to any payments required to be made to increase borrowing availability under any revolving credit facility, (iii) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition, or to any other Person (other than the Company or a Restricted Subsidiary) owning a beneficial interest in the assets disposed of in such Asset Disposition, (iv) any liabilities or obligations associated with the assets disposed of in such Asset Disposition and retained, indemnified or insured by the Company or any Restricted Subsidiary after such Asset Disposition, including without limitation pension and other post-employment benefit liabilities, liabilities related to environmental matters, and liabilities relating to any indemnification obligations associated with such Asset Disposition, and (v) the amount of any purchase price or similar adjustment (x) claimed by any Person to be owed by the Company or any Restricted Subsidiary, until such time as such claim shall have been settled or otherwise finally resolved, or (y) paid or payable by the Company or any Restricted Subsidiary, in either case in respect of such Asset Disposition.

“Net Cash Proceeds” means, with respect to any issuance or sale of any securities of the Company or any Subsidiary by the Company or any Subsidiary, or any capital contribution, means the cash proceeds of such issuance, sale or contribution net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance, sale or contribution and net of taxes paid or payable as a result thereof.

“Newco” means HDTFS, Inc., a Delaware corporation and wholly owned Subsidiary of Hertz.

“Non-Recourse Indebtedness” means Indebtedness of HERC:

(a) as to which neither the Company nor any of its Restricted Subsidiaries (other than HERC and its Subsidiaries) (a) provides any Guarantee or credit support of any kind (including any undertaking, guarantee, indemnity, Lien, agreement or instrument that would constitute Indebtedness) or (b) is directly or indirectly liable (as a guarantor or otherwise);

(b) no default with respect to which would permit, upon notice, lapse of time or both any holder of any other Indebtedness of the Company or any of its Restricted Subsidiaries (other than Indebtedness outstanding on, or otherwise committed as of, the Effective Date) to declare a default on such other Indebtedness or cause the payment of the Indebtedness to be accelerated or payable prior to its Stated Maturity; and

(c) the explicit terms of which provide there is no recourse against any of the assets of the Company or its Restricted Subsidiaries (other than HERC and its Subsidiaries and Capital Stock of HERC or any of its Subsidiaries).

“Non U.S. Person” means a Person who is not a U.S. person, as defined in Regulation S.

“Notes” means the Initial Notes, any Additional Notes, the Exchange Notes and any notes issued in respect thereof pursuant to Section 304, 305, 306, 312(c), 312(d) or 1008.

“Notes Supplemental Indenture” means a Supplemental Indenture pursuant to which the Company issues Notes in accordance with Section 301, which may be substantially in the form attached hereto as Exhibit G, or in such other form as the Company may determine in accordance with Section 301.

“Obligations” means, with respect to any Indebtedness, any principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company or any Restricted Subsidiary whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, Guarantees of such Indebtedness (or of Obligations in respect thereof), other monetary obligations of any nature and all other amounts payable thereunder or in respect thereof.

“Offering Memorandum” means the confidential Offering Memorandum of the Company, dated October 1, 2012, relating to the offering of the Initial Notes.

“Officer” means, with respect to the Company or any other obligor upon the Notes, the Chairman of the Board, the President, the Chief Executive Officer, the Chief Financial Officer, any Vice President, the Controller, the Treasurer or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity (or any other individual designated as an “Officer” for the purposes of this Indenture by the Board of Directors).

“Officer's Certificate” means, with respect to the Company or any other obligor upon the Notes, a certificate signed by one Officer of such Person.

“Opinion of Counsel” means a written opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Company or the Trustee.

“Original Notes” means the Initial Notes and any Exchange Notes issued in exchange

therefor.

“Outside Date” has the meaning assigned to such term in the Escrow Agreement.

“Outstanding,” when used with respect to Notes means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, except:

- (i) Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (ii) Notes for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent in trust for the Holders of such Notes, *provided* that, if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor reasonably satisfactory to the Trustee has been made; and
- (iii) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture.

A Note does not cease to be Outstanding because the Company or any Affiliate of the Company holds the Note, provided that in determining whether the Holders of the requisite amount of Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Company or any Affiliate of the Company shall be disregarded and deemed not to be Outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such request, demand, authorization, direction, notice, consent or waiver, only Notes which the Trustee actually knows are so owned shall be so disregarded. Notes so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the reasonable satisfaction of the Trustee the pledgee's right to act with respect to such Notes and that the pledgee is not the Company or an Affiliate of the Company.

“Parent” means any of Holding, Hertz Investors and any Other Parent and any other Person that is a Subsidiary of Holding, Hertz Investors or any Other Parent and of which the Company is a Subsidiary. As used herein, “Other Parent” means a Person of which the Company becomes a Subsidiary after the Issue Date, *provided* that either (x) immediately after the Company first becomes a Subsidiary of such Person, more than 50% of the Voting Stock of such Person shall be held by one or more Persons that held more than 50% of the Voting Stock of a Parent of the Company immediately prior to the Company first becoming such Subsidiary or (y) such Person shall be deemed not to be an Other Parent for the purpose of determining whether a Change of Control shall have occurred by reason of the Company first becoming a Subsidiary of such Person.

“Parent Expenses” means (i) costs (including all professional fees and expenses) incurred by any Parent in connection with maintaining its existence or in connection with its reporting

obligations under, or in connection with compliance with, applicable laws or applicable rules of any governmental, regulatory or self-regulatory body or stock exchange, this Indenture or any other agreement or instrument relating to Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, the Exchange Act or the respective rules and regulations promulgated thereunder, (i) expenses incurred by any Parent in connection with the acquisition, development, maintenance, ownership, prosecution, protection and defense of its intellectual property and associated rights (including but not limited to trademarks, service marks, trade names, trade dress, patents, copyrights and similar rights, including registrations and registration or renewal applications in respect thereof; inventions, processes, designs, formulae, trade secrets, know-how, confidential information, computer software, data and documentation, and any other intellectual property rights; and licenses of any of the foregoing) to the extent such intellectual property and associated rights relate to the business or businesses of the Company or any Subsidiary thereof, (ii) indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with or for the benefit of any such Person, or obligations in respect of director and officer insurance (including premiums therefor), (iii) other administrative and operational expenses of any Parent incurred in the ordinary course of business, and (iv) fees and expenses incurred by any Parent in connection with any offering of Capital Stock or Indebtedness, (v) which offering is not completed, or (vi) where the net proceeds of such offering are intended to be received by or contributed or loaned to the Company or a Restricted Subsidiary, or (vii) in a prorated amount of such expenses in proportion to the amount of such net proceeds intended to be so received, contributed or loaned, or (viii) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

“Paying Agent” means any Person authorized by the Company to pay the principal of (and premium, if any) or interest on any Notes on behalf of the Company; *provided* that neither the Company nor any of its Affiliates shall act as Paying Agent for purposes of Section 1102 or Section 1205.

“Permitted Holder” means any of the following: (i) any of the Investors; (ii) any of the Management Investors, CDR, Carlyle, ML and their respective Affiliates; (iii) any investment fund or vehicle managed, sponsored or advised by CDR, Carlyle, ML or any Affiliate thereof, and any Affiliate of or successor to any such investment fund or vehicle; (iv) any limited or general partners of, or other investors in, any CDR Investor, Carlyle Investor or Merrill Lynch Investor or any Affiliate thereof, or any such investment fund or vehicle; and (v) any Person acting in the capacity of an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Company. In addition, any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) whose status as a “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of this Indenture, together with its Affiliates, shall thereafter constitute Permitted Holders.

“Permitted Investment” means an Investment by the Company or any Restricted Subsidiary in, or consisting of, any of the following:

- (i) a Restricted Subsidiary, the Company, or a Person that will, upon the making of such Investment, become a Restricted Subsidiary (and any Investment held by such Person that was not acquired by such Person in contemplation of so becoming a Restricted Subsidiary);
- (ii) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, or is liquidated into, the Company or a Restricted Subsidiary (and, in each case, any Investment held by such other Person that was not acquired by such Person in contemplation of such merger, consolidation or transfer);
- (iii) Temporary Cash Investments, Investment Grade Securities or Cash Equivalents;
- (iv) receivables owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business;
- (v) any securities or other Investments received as consideration in, or retained in connection with, sales or other dispositions of property or assets, including Asset Dispositions made in compliance with Section 411;
- (vi) securities or other Investments received in settlement of debts created in the ordinary course of business and owing to, or of other claims asserted by, the Company or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments, including in connection with any bankruptcy proceeding or other reorganization of another Person;
- (vii) Investments in existence or made pursuant to legally binding written commitments in existence on the Effective Date;
- (viii) Hedge Agreements and related Hedging Obligations, which obligations are Incurred in compliance with Section 407;
- (ix) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under Section 413;
- (x) (1) Investments in or by any Special Purpose Subsidiary, or in connection with a Financing Disposition by or to or in favor of any Special Purpose Entity, including Investments of funds held in accounts permitted or required by the arrangements governing such Financing Disposition or any related Indebtedness, or (2) any promissory note issued by the Company, or any Parent, provided that if such Parent receives cash

from the relevant Special Purpose Entity in exchange for such note, an equal cash amount is contributed by any Parent to the Company;

(xi) bonds secured by assets leased to and operated by the Company or any Restricted Subsidiary that were issued in connection with the financing of such assets so long as the Company or any Restricted Subsidiary may obtain title to such assets at any time by paying a nominal fee, canceling such bonds and terminating the transaction;

(xii) Notes;

(xiii) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock), or Capital Stock of any Parent, as consideration;

(xiv) Management Advances;

(xv) Investments consisting of, or arising out of or related to, Vehicle Rental Concession Rights, including any Investments referred to in the definition of the term "Vehicle Rental Concession Rights", and any Investments in Franchisees arising as a result of the Company or any Restricted Subsidiary being party to any Vehicle Rental Concession or any related agreement jointly with any Franchisee, or leasing or subleasing any part of a Public Facility or other property to any Franchisee, or guaranteeing any obligation of any Franchisee in respect of any Vehicle Rental Concession or any related agreement;

(xvi) Investments in Related Businesses in an aggregate amount outstanding at any time not to exceed 3% of Consolidated Tangible Assets;

(xvii) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of Section 412(b) (except transactions described in clauses (i), (v) and (vi) of such paragraph), including any Investment pursuant to any transaction described in Section 412(b)(ii) (whether or not any Person party thereto is at any time an Affiliate of the Company);

(xviii) other Investments in an aggregate amount outstanding at any time not to exceed 1.0% of Consolidated Tangible Assets;

(xix) (1) Investments in Franchise Special Purpose Entities directly or indirectly to finance or refinance the acquisition of Franchise Rental Car Vehicles and/or other Franchise Equipment and/or related rights and/or assets, in an aggregate amount outstanding at any time (as to all such Franchise Special Purpose Entities, and taken together with the then outstanding aggregate principal amount of Indebtedness classified by the Company under clause (a) of the definition of "Franchise Vehicle Indebtedness") not exceeding the Franchise SPE Fleet Amount, (2) Investments in Franchisees attributable to the financing or refinancing of Franchise Rental Car Vehicles and/or other

Franchise Equipment and/or related rights and/or assets, as determined in good faith by the Chief Financial Officer or an authorized Officer of the Company (which determination shall be conclusive), in an aggregate amount outstanding at any time (as to all such Franchisees, and taken together with the then outstanding aggregate principal amount of Indebtedness classified by the Company under clause (b) of the definition of “Franchise Vehicle Indebtedness”) not exceeding the Franchisee Asset Value Amount, (3) Investments in Franchisees in an aggregate amount outstanding at any time (as to all such Franchisees, and taken together with the then outstanding aggregate principal amount of Indebtedness classified by the Company under clause (c) of the definition of “Franchise Vehicle Indebtedness”) not exceeding the Franchisee Revenue Amount, (4) Investments in Capital Stock of Franchisees and Franchise Special Purpose Entities (including pursuant to capital contributions), and (5) Investments in Franchisees arising as the result of Guarantees of Franchise Vehicle Indebtedness or Franchise Lease Obligations; and

(xx) any Investment by any Captive Insurance Subsidiary in connection with the provision of insurance to the Company or any of its Subsidiaries, which Investment is made in the ordinary course of business of such Captive Insurance Subsidiary, or by reason of applicable law, rule, regulation or order, or that is required or approved by any regulatory authority having jurisdiction over such Captive Insurance Subsidiary or its business, as applicable.

If any Investment pursuant to clause (xvi), (xviii) or (xix) above, or Section 409(b)(vii), as applicable, 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 Company 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 clause (xvi), (xviii) or (xix) above, or Section 409(b)(vii), as applicable.

“Permitted Liens” means:

(a) Liens for taxes, assessments or other governmental charges not yet delinquent or the nonpayment of which in the aggregate would not reasonably be expected to have a material adverse effect on the Company and its Restricted Subsidiaries or that are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Company or a Subsidiary thereof, as the case may be, in accordance with GAAP;

(b) Liens with respect to outstanding motor vehicle fines and carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's or other like Liens arising in the ordinary course of business in respect of obligations that are not overdue for a period of more than 60 days or that are bonded or that are being contested in good faith and by appropriate proceedings;

(c) pledges, deposits or Liens in connection with workers' compensation, unemployment insurance and other social security and other similar legislation or other insurance related obligations (including, without limitation, pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements);

(d) pledges, deposits or Liens to secure the performance of bids, tenders, trade, government or other contracts (other than for borrowed money), obligations for utilities, leases, licenses, statutory obligations, completion guarantees, surety, judgment, appeal or performance bonds, other similar bonds, instruments or obligations, and other obligations of a like nature incurred in the ordinary course of business;

(e) easements (including reciprocal easement agreements), rights-of-way, building, zoning and similar restrictions, utility agreements, covenants, reservations, restrictions, encroachments, charges, and other similar encumbrances or title defects incurred, or leases or subleases granted to others, in the ordinary course of business, which do not in the aggregate materially interfere with the ordinary conduct of the business of the Company and its Subsidiaries, taken as a whole;

(f) Liens existing on, or provided for under written arrangements existing on, the Effective Date, or (in the case of any such Liens securing Indebtedness of the Company or any of its Subsidiaries existing or arising under written arrangements existing on the Effective Date) securing any Refinancing Indebtedness in respect of such Indebtedness so long as the Lien securing such Refinancing Indebtedness is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or under such written arrangements could secure) the original Indebtedness;

(g) (i) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Company or any Restricted Subsidiary of the Company has easement rights or on any leased property and subordination or similar agreements relating thereto and (ii) any condemnation or eminent domain proceedings affecting any real property;

(h) Liens securing Indebtedness (including Liens securing any Obligations in respect thereof) consisting of Hedging Obligations, Bank Products Obligations, Purchase Money Obligations or Capitalized Lease Obligations Incurred in compliance with Section 407;

(i) Liens arising out of judgments, decrees, orders or awards in respect of which the Company or any Restricted Subsidiary shall in good faith be prosecuting an appeal or proceedings for review, which appeal or proceedings shall not have been finally terminated, or if the period within which such appeal or proceedings may be initiated shall not have expired;

(j) leases, subleases, licenses or sublicenses to or from third parties;

(k) Liens securing Indebtedness (including Liens securing any Obligations in respect

thereof) consisting of (A)(1) Indebtedness Incurred in compliance with Section 407(b)(i), Section 407(b)(iv), Section 407(b)(v), Section 407(b)(vii), Section 407(b)(viii), Section 407(b)(ix) or Section 407(b)(xi), or Section 407(b)(iii) (other than Refinancing Indebtedness Incurred in respect of Indebtedness described in Section 407(a)), (2) Credit Facility Indebtedness Incurred in compliance with Section 407(b), (3) the Notes, (4) Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor, (5) Indebtedness or other obligations of any Special Purpose Entity or (6) obligations in respect of Management Advances or Management Guarantees; in each case under the foregoing clauses (1) through (6) including Liens securing any Guarantee of any thereof, or (B) Non-Recourse Indebtedness of HERC to the extent such Liens do not extend to property or assets other than HERC Assets;

(l) Liens existing on property or assets of a Person at the time such Person becomes a Subsidiary of the Company (or at the time the Company or a Restricted Subsidiary acquires such property or assets, including any acquisition by means of a merger or consolidation with or into the Company or any Restricted Subsidiary); provided, however, that such Liens are not created in connection with, or in contemplation of, such other Person becoming such a Subsidiary (or such acquisition of such property or assets), and that such Liens are limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate; provided further, that for purposes of this clause (l), if a Person other than the Company is the Successor Company with respect thereto, any Subsidiary thereof shall be deemed to become a Subsidiary of the Company, and any property or assets of such Person or any such Subsidiary shall be deemed acquired by the Company or a Restricted Subsidiary, as the case may be, when such Person becomes such Successor Company;

(m) Liens on Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;

(n) any encumbrance or restriction (including, but not limited to, pursuant to put and call agreements or buy/sell arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(o) Liens securing Indebtedness (including Liens securing any Obligations in respect thereof) consisting of Refinancing Indebtedness Incurred in respect of any Indebtedness secured by, or securing any refinancing, refunding, extension, renewal or replacement (in whole or in part) of any other obligation secured by, any other Permitted Liens, provided that any such new Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the obligations to which such Liens relate;

(p) Liens (1) arising by operation of law (or by agreement to the same effect) in the ordinary course of business, (2) on property or assets under construction (and related rights) in

favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets, (3) on receivables (including related rights), (4) on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent that such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose, (5) securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities (including in connection with purchase orders and other agreements with customers), (6) in favor of the Company or any Subsidiary (other than Liens on property or assets of the Company or any Subsidiary Guarantor in favor of any Subsidiary that is not a Subsidiary Guarantor), (7) arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business, (8) on inventory or goods and proceeds securing the obligations in respect of bankers' acceptances issued or created to facilitate the purchase, shipment or storage of such inventory or other goods, (9) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft, cash pooling or similar obligations incurred in the ordinary course of business, (10) attaching to commodity trading or other brokerage accounts incurred in the ordinary course of business, (11) arising in connection with repurchase agreements permitted under Section 407, on assets that are the subject of such repurchase agreements, (12) in favor of any Special Purpose Entity in connection with any Financing Disposition or (13) in favor of any Franchise Special Purpose Entity in connection with any Franchise Financing Disposition;

(q) Liens on or under, or arising out of or relating to, any Vehicle Rental Concession Rights;

(r) other Liens securing obligations, which do not exceed 0.50% of Consolidated Tangible Assets at any time outstanding; and

(s) Liens securing Indebtedness (including Liens securing any Obligations in respect thereof) consisting of Indebtedness Incurred in compliance with Section 407, provided that on the date of the Incurrence of such Indebtedness after giving effect to such Incurrence (or on the date of the initial borrowing of such Indebtedness after giving pro forma effect to the Incurrence of the entire committed amount of such Indebtedness, in which case such committed amount may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this clause), the Consolidated Secured Leverage Ratio shall not exceed 4.0 to 1.0.

For purposes of determining compliance with this definition, (x) a Lien need not be incurred solely by reference to one category of Permitted Liens described in this definition but may be incurred under any combination of such categories (including in part under one such category and in part under any other such category), (y) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens, the Company shall, in its sole discretion, classify or reclassify such Lien (or any portion thereof) in any manner that complies with this definition, and (z) in the event that a portion of indebtedness secured by a

Lien could be classified as secured in part pursuant to clause (s) above (giving effect to the Incurrence of such portion of such Indebtedness), the Company, in its sole discretion, may classify such portion of such Indebtedness (and any Obligations in respect thereof) as having been secured pursuant to clause (s) above and thereafter the remainder of the Indebtedness as having been secured pursuant to one or more of the other clauses of this definition.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

“Place of Payment” means a city or any political subdivision thereof in which any Paying Agent appointed pursuant to Article III is located.

“Predecessor Notes” of any particular Note means every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purposes of this definition, any Note authenticated and delivered under Section 306 in lieu of a mutilated, lost, destroyed or stolen Note shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Note.

“Preferred Stock” as applied to the Capital Stock of any corporation means 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, over shares of Capital Stock of any other class of such corporation.

“Public Facility” means (i) any airport; marine port; rail, subway, bus or other transit stop, station or terminal; stadium; convention center; or military camp, fort, post or base or (ii) any other facility owned or operated by any nation or government or political subdivision thereof, or agency, authority or other instrumentality of any thereof, or other entity exercising regulatory, administrative or other functions of or pertaining to government, or any organization of nations (including the United Nations, the European Union and the North Atlantic Treaty Organization).

“Public Facility Operator” means a Person that grants or has the power to grant a Vehicle Rental Concession.

“Purchase Agreement” means the purchase agreement, dated October 1, 2012, among Newco and Barclays Capital Inc. , Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representatives of the several initial purchasers named in Schedule I attached thereto, as such agreement may be amended, supplemented, waived or otherwise modified from time to time.

“Purchase Money Obligations” means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets, and

whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise; *provided* that for purposes of Section 407(b)(iv), the term “Purchase Money Obligations” shall not include Indebtedness to the extent Incurred to finance or refinance the direct acquisition of Inventory or Equipment (not acquired through the acquisition of Capital Stock of any Person owning property or assets, or through the acquisition of property or assets, that include Inventory or Equipment).

“QIB” or “Qualified Institutional Buyer” means a “qualified institutional buyer,” as that term is defined in Rule 144A.

“Rating Agency” means Moody's or S&P or, if Moody's or S&P or both shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Company which shall be substituted for Moody's or S&P or both, as the case may be.

“Receivable” means a right to receive payment pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay, as determined in accordance with GAAP.

“Redemption Amount” means with respect to any series of Notes, “Redemption Amount” as such term is defined in the Notes Supplemental Indenture establishing such series of Notes.

“Redemption Date,” when used with respect to any Note to be redeemed or purchased, means the date fixed for such redemption or purchase by or pursuant to this Indenture or the Notes Supplemental Indenture establishing the applicable series of Notes and the Notes.

“Redemption Price” means with respect to any series of Notes, “Redemption Price” as such term is defined in the Notes Supplemental Indenture establishing such series of Notes.

“refinance” means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell or extend (including pursuant to any defeasance or discharge mechanism); and the terms “refinances,” “refinanced” and “refinancing” as used for any purpose in this Indenture shall have a correlative meaning.

“Refinancing Credit Facility” means any syndicated Credit Facility under which the Company incurs Indebtedness to refinance all or any portion of its Indebtedness under the Senior Credit Facilities.

“Refinancing Indebtedness” means Indebtedness that is Incurred to refinance any Indebtedness existing on the date of this Indenture or Incurred in compliance with this Indenture (including Indebtedness of the Company that refinances Indebtedness of any Restricted Subsidiary (to the extent permitted in this Indenture) and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided*, that (1) if the Indebtedness being refinanced

is Subordinated Obligations or Guarantor Subordinated Obligations, the Refinancing Indebtedness has a final Stated Maturity at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the final Stated Maturity of the Indebtedness being refinanced (or if shorter, the Notes), (2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of (x) the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced, plus (y) fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such Refinancing Indebtedness and (3) Refinancing Indebtedness shall not include (x) Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor that refinances Indebtedness of the Company or a Subsidiary Guarantor that could not have been initially Incurred by such Restricted Subsidiary pursuant to Section 407 or (y) Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

“Regular Record Date” means with respect to any series of Notes, “Regular Record Date” as such term is defined in the Notes Supplemental Indenture establishing such series of Notes.

“Regulation S” means Regulation S under the Securities Act.

“Regulation S Certificate” means a certificate substantially in the form attached hereto as Exhibit D.

“Related Business” means those businesses in which the Company or any of its Subsidiaries is engaged on the date of this Indenture, or that are related, complementary, incidental or ancillary thereto or extensions, developments or expansions thereof.

“Related Taxes” means any taxes, charges or assessments, including but not limited to sales, use, transfer, rental, ad valorem, value-added, stamp, property, consumption, franchise, license, capital, net worth, gross receipts, excise, occupancy, intangibles or similar taxes, charges or assessments (other than federal, state or local taxes measured by income and federal, state or local withholding imposed by any government or other taxing authority on payments made by any Parent other than to another Parent), required to be paid by any Parent by virtue of its being incorporated or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than the Company, any of its Subsidiaries or any Parent), or being a holding company parent of the Company, any of its Subsidiaries or any Parent or receiving dividends from or other distributions in respect of the Capital Stock of the Company, any of its Subsidiaries or any Parent, or having guaranteed any obligations of the Company or any Subsidiary thereof, or having made any payment in respect of any of the items for which the Company or any of its Subsidiaries is permitted to make payments to any Parent pursuant to Section 409, or acquiring, developing, maintaining, owning, prosecuting, protecting or defending its intellectual property and associated rights (including but not limited to receiving or paying royalties for the use thereof) relating to the business or businesses of the Company or any Subsidiary thereof, or any other federal, state, foreign, provincial or local taxes measured by income for which any Parent is liable up to an amount not to exceed, with respect to federal

taxes, the amount of any such taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis, or on a consolidated basis as if the Company had filed a consolidated return on behalf of an affiliated group (as defined in Section 1504 of the Code) of which it were the common parent, or with respect to state and local taxes, the amount of any such taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis, or on a consolidated, combined, unitary or affiliated basis as if the Company had filed a consolidated, combined, unitary or affiliated return on behalf of an affiliated group (as defined in the applicable state or local tax laws for filing such return) consisting only of the Company and its Subsidiaries. Taxes include all interest, penalties and additions relating thereto.

“Rental Car Vehicles” means all passenger Vehicles owned by or leased to the Company or a Restricted Subsidiary that are classified as “revenue earning equipment” in the consolidated financial statements of the Company and are or have been offered for lease or rental by any of the Company and its Restricted Subsidiaries in their car rental operations (and not, for the avoidance of doubt, in connection with any business or operations involving the leasing or renting of other types of Equipment), including any such Vehicles being held for sale.

“Reorganization Assets” means HERC Assets and any assets sold, leased, transferred or otherwise disposed of to any Franchisee or any Franchise Special Purpose Entity.

“Resale Restriction Termination Date” means, with respect to any Note, the date that is one year (or such other period as may hereafter be provided under Rule 144 under the Securities Act or any successor provision thereto as permitting the resale by non-affiliates of Restricted Securities without restriction) after the later of the original issue date in respect of such Note and the last date on which the Company or any Affiliate of the Company was the owner of such Note (or any Predecessor Note thereto).

“Responsible Officer” when used with respect to the Trustee means any officer within the corporate trust department of the Trustee, who has direct responsibility for the administration of this Indenture, including any vice president or assistant vice president, any trust officer or assistant trust officer, or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Restricted Payment Transaction” means any Restricted Payment permitted pursuant to Section 409, any Permitted Payment, any Permitted Investment, or any transaction specifically excluded from the definition of the term “Restricted Payment” (including pursuant to the exception contained in clause (i) and the parenthetical exclusions contained in clauses (ii) and (iii) of such definition).

“Restricted Security” has the meaning assigned to such term in Rule 144(a)(3) under the Securities Act; *provided, however*, that the Trustee shall be entitled to receive, at its request, and

conclusively rely on an Opinion of Counsel with respect to whether any Note constitutes a Restricted Security.

“Restricted Subsidiary” means any Subsidiary of the Company other than an Unrestricted Subsidiary.

“Rule 144A” means Rule 144A under the Securities Act.

“S&P” means Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc., and its successors.

“SEC” means the Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended.

“Senior ABL Agreement” means the Credit Agreement, dated as of March 11, 2011, among HERC; Hertz; the Canadian borrowers party thereto; Deutsche Bank AG New York Branch, as administrative agent and collateral agent; Deutsche Bank AG Canada Branch, as Canadian agent and Canadian collateral agent; Wells Fargo Bank, National Association, as co-collateral agent; Wells Fargo Bank, National Association, as syndication agent; Bank of America, N.A., Barclays Bank PLC, Citibank, N.A., Credit Agricole Corporate and Investment Bank and JPMorgan Chase Bank N.A., as co-documentation agents; the lenders party thereto from time to time; Wells Fargo Capital Finance, LLC and Deutsche Bank Securities Inc., as joint lead arrangers; Deutsche Bank Securities Inc., Barclays Capital, Citigroup Global Markets Inc., Credit Agricole Corporate and Investment Bank, J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated as joint bookrunning managers, as such agreement may be amended, supplemented, waived or otherwise modified from time to time or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original administrative agent and lenders or other agents and lenders or otherwise, and whether provided under the original Senior ABL Agreement or other credit agreements or otherwise, unless such agreement, instrument or document expressly provides that it is not intended to be and is not a Senior ABL Agreement).

“Senior ABL Facility” means the collective reference to the Senior ABL Agreement, any Loan Documents (as defined therein), any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages, letter of credit applications and other guarantees, pledge agreements, security agreements and collateral documents, and other instruments and documents, executed and delivered pursuant to or in connection with any of the foregoing, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original agent and lenders or other agents and lenders or otherwise, and whether provided under the original Senior ABL Agreement or one or more other credit agreements, indentures (including this Indenture) or financing agreements or otherwise,

unless such agreement, instrument or document expressly provides that it is not intended to be and is not a Senior ABL Facility). Without limiting the generality of the foregoing, the term “Senior ABL Facility” shall include any agreement (*i*) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (*ii*) adding Subsidiaries of Hertz or HERC as additional borrowers or guarantors thereunder, (*iii*) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (*iv*) otherwise altering the terms and conditions thereof.

“Senior Credit Agreements” means, collectively, the Senior ABL Agreement and the Senior Term Agreement.

“Senior Credit Facilities” means, collectively, the Senior ABL Facility and the Senior Term Facility.

“Senior Indebtedness” means any Indebtedness of the Company or any Restricted Subsidiary other than, in the case of the Company, Subordinated Obligations and, in the case of any Subsidiary Guarantor, Guarantor Subordinated Obligations.

“Senior Term Agreement” means the Credit Agreement, dated as of March 11, 2011, among Hertz; any other borrowers party thereto from time to time; Deutsche Bank AG New York Branch, as administrative agent and collateral agent; Wells Fargo Bank, National Association, as syndication agent; the lenders party thereto from time to time; Bank of America, N.A., Barclays Bank PLC, Citibank, N.A., Credit Agricole Corporate and Investment Bank and JPMorgan Chase Bank N.A., as co-documentation agents; Deutsche Bank Securities Inc., Barclays Capital, Citigroup Global Markets Inc., Credit Agricole Corporate and Investment Bank, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC as joint lead arrangers and joint bookrunning managers, as such agreement may be amended, supplemented, waived or otherwise modified from time to time or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (including pursuant to the Incremental Commitment Amendment, dated as of October 9, 2012, among Hertz, Deutsche Bank AG New York Branch, as administrative agent and collateral agent and the other parties thereto) (whether in whole or in part, whether with the original administrative agent and lenders or other agents and lenders or otherwise, and whether provided under the original Senior Term Agreement or other credit agreements or otherwise, unless such agreement, instrument or document expressly provides that it is not intended to be and is not a Senior Term Agreement).

“Senior Term Facility” means the collective reference to the Senior Term Agreement, any Loan Documents (as defined therein), any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages, letter of credit applications and other guarantees, pledge agreements, security agreements and collateral documents, and other instruments and documents, executed and delivered pursuant to or in connection with any of the foregoing, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced,

restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original agent and lenders or other agents and lenders or otherwise, and whether provided under the original Senior Term Agreement or one or more other credit agreements, indentures (including this Indenture) or financing agreements or otherwise, unless such agreement, instrument or document expressly provides that it is not intended to be and is not a Senior Term Facility). Without limiting the generality of the foregoing, the term “Senior Term Facility” shall include any agreement (*i*) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (*ii*) adding Subsidiaries of Hertz as additional borrowers or guarantors thereunder, (*iii*) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (*iv*) otherwise altering the terms and conditions thereof.

“Significant Subsidiary” means any Restricted Subsidiary that would be a “significant subsidiary” of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC, as such Regulation is in effect on the Issue Date.

“Special Mandatory Redemption Date” means, with respect to each series of Initial Notes, “Special Mandatory Redemption Date” as such term is defined in the Notes Supplemental Indenture establishing such series of Initial Notes.

“Special Purpose Entity” means (*x*) any Special Purpose Subsidiary or (*y*) any other Person that is engaged in the business of (*i*) acquiring, selling, collecting, financing or refinancing Receivables, accounts (as defined in the Uniform Commercial Code as in effect in any jurisdiction from time to time), other accounts and/or other receivables, and/or related assets, and/or (*ii*) acquiring, selling, leasing, financing or refinancing Vehicles and/or other Equipment, and/or related rights (including under leases, manufacturer warranties and buy-back programs, and insurance policies) and/or assets (including managing, exercising and disposing of any such rights and/or assets).

“Special Purpose Financing” means any financing or refinancing of assets consisting of or including Receivables, Vehicles and/or other Equipment of the Company or any Restricted Subsidiary that have been transferred to a Special Purpose Entity or made subject to a Lien in a Financing Disposition.

“Special Purpose Financing Fees” means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Special Purpose Financing.

“Special Purpose Financing Undertakings” means representations, warranties, covenants, indemnities, guarantees of performance and (subject to clause (*y*) of the proviso below) other agreements and undertakings entered into or provided by the Company or any of its Restricted Subsidiaries that the Company determines in good faith (which determination shall be conclusive) are customary or otherwise necessary or advisable in connection with a Special

Purpose Financing or a Financing Disposition; *provided* that (x) it is understood that Special Purpose Financing Undertakings may consist of or include (i) reimbursement and other obligations in respect of notes, letters of credit, surety bonds and similar instruments provided for credit enhancement purposes or (ii) Hedging Obligations, or other obligations relating to Interest Rate Agreements, Currency Agreements or Commodities Agreements entered into by the Company or any Restricted Subsidiary, in respect of any Special Purpose Financing or Financing Disposition, and (y) subject to the preceding clause (x), any such other agreements and undertakings shall not include any Guarantee of Indebtedness of a Special Purpose Subsidiary by the Company or a Restricted Subsidiary that is not a Special Purpose Subsidiary.

“Special Purpose Subsidiary” means a Subsidiary of the Company that (a) is engaged solely in (x) the business of (i) acquiring, selling, collecting, financing or refinancing Receivables, accounts (as defined in the Uniform Commercial Code as in effect in any jurisdiction from time to time) and other accounts and receivables (including any thereof constituting or evidenced by chattel paper, instruments or general intangibles), all proceeds thereof and all rights (contractual and other), collateral and other assets relating thereto, and/or (ii) acquiring, selling, leasing, financing or refinancing Vehicles and/or other Equipment, and/or related rights (including under leases, manufacturer warranties and buy-back programs, and insurance policies) and /or assets (including managing, exercising and disposing of any such rights and/or assets), all proceeds thereof and all rights (contractual and other), collateral and other assets relating thereto, and (y) any business or activities incidental or related to such business, and (b) is designated as a “Special Purpose Subsidiary” by the Company.

“Special Record Date” for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

“Stated Maturity” means, with respect to any Indebtedness, the date specified in such Indebtedness as the fixed date on which the payment of principal of such Indebtedness is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase or repayment of such Indebtedness at the option of the holder thereof upon the happening of any contingency).

“Subordinated Obligations” means any Indebtedness of the Company (whether outstanding on the date of this Indenture or thereafter Incurred) that is expressly subordinated in right of payment to the Notes pursuant to a written agreement.

“Subsidiary” of any Person means any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other equity interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person or (ii) one or more Subsidiaries of such Person.

“Subsidiary Guarantee” means any guarantee of the Notes that may from time to time be

entered into by a Restricted Subsidiary of the Company on or after the Effective Date pursuant to Section 414.

“Subsidiary Guarantor” means any Restricted Subsidiary of the Company that enters into a Subsidiary Guarantee.

“Successor Company” shall have the meaning assigned thereto in Section 501(a)(i).

“Tax Sharing Agreement” means the Tax Sharing Agreement, dated as of December 21, 2005, among Hertz, Holding and Hertz Investors, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of this Indenture.

“Temporary Cash Investments” means any of the following: (i) any investment in (x) direct obligations of the United States of America, a member state of the European Union or any country in whose currency funds are being held pending their application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country or with such funds, or any agency or instrumentality of any thereof or obligations Guaranteed by the United States of America or a member state of the European Union or any country in whose currency funds are being held pending their application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country or with such funds, or any agency or instrumentality of any of the foregoing, or obligations guaranteed by any of the foregoing or (y) direct obligations of any foreign country recognized by the United States of America rated at least “A” by S&P or “A-1” by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any nationally recognized rating organization), (ii) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by (x) any bank or other institutional lender under a Credit Facility or any affiliate thereof or (y) a bank or trust company that is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America having capital and surplus aggregating in excess of \$250.0 million (or the foreign currency equivalent thereof) and whose long term debt is rated at least “A” by S&P or “A-1” by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any nationally recognized rating organization) at the time such Investment is made, (iii) repurchase obligations with a term of not more than 30 days for underlying securities or instruments of the types described in clause (i) or (ii) above entered into with a bank meeting the qualifications described in clause (ii) above, (iv) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than that of the Company or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of “P-2” (or higher) according to Moody's or “A-2” (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any nationally recognized rating organization), (v) Investments

in securities maturing not more than one year after the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least “A” by S&P or “A” by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any nationally recognized rating organization), (vi) Preferred Stock (other than of the Company or any of its Subsidiaries) having a rating of “A” or higher by S&P or “A2” or higher by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any nationally recognized rating organization), (vii) investment funds investing 95% of their assets in securities of the type described in clauses (i) (vi) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution), (viii) any money market deposit accounts issued or offered by a domestic commercial bank or a commercial bank organized and located in a country recognized by the United States of America, in each case, having capital and surplus in excess of \$250.0 million (or the foreign currency equivalent thereof), or investments in money market funds subject to the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the Investment Company Act of 1940, as amended, and (ix) similar investments approved by the Board of Directors in the ordinary course of business.

“Tender Offer” means the cash tender offer commenced by Merger Sub to acquire all the outstanding shares of common stock, par value \$0.01 per share, of Dollar Thrifty. The Tender Offer shall be deemed to have been consummated upon the acceptance for payment by Merger Sub of all shares of Dollar Thrifty common stock, par value \$0.01 per share, validly tendered (and not properly withdrawn) pursuant to the Tender Offer. Such purchase may consist of shares of Dollar Thrifty tendered in the Tender Offer that (together with shares of Dollar Thrifty then owned by Holding, the Company or any of their respective Subsidiaries) represent at least a majority of the outstanding voting shares of Dollar Thrifty (calculated on a fully diluted basis).

“TIA” means the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-7bbbb) as in effect on the date of this Indenture, except as otherwise provided herein.

“Trade Payables” means, with respect to any Person, any accounts payable or any indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by such Person arising in the ordinary course of business in connection with the acquisition of goods or services.

“Transactions” means, collectively, any or all of the following (whether or not consummated): the entry into the Merger Agreement, the Tender Offer, the Merger, the entry into the Indenture, the offer of the Notes, the issuance of the Notes, the merger of Newco with and into Hertz, the assumption by Hertz of all of the obligations of Newco under the Indenture and the Notes, any asset disposition necessary or advisable (as determined by the Company in good faith) in order to consummate the acquisition of Dollar Thrifty, incurrence of any other Indebtedness in order to finance or refinance the Tender Offer and the Merger, refinancing of existing Indebtedness of Dollar Thrifty and its Subsidiaries (including by providing funds to

Dollar Thrifty and/or any of its Subsidiaries for such purpose), provision of working capital to Dollar Thrifty and/or any of its Subsidiaries, in each case following the consummation of the Tender Offer and all other transactions relating to any of the foregoing (including payment of fees and expenses related to any of the foregoing).

“Trustee” means the party named as such in the first paragraph of this Indenture until a successor replaces it and, thereafter, means the successor.

“Unrestricted Subsidiary” means (i) any Subsidiary of the Company that at the time of determination is an Unrestricted Subsidiary, as designated by the Board of Directors in the manner provided below, and (ii) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary of the Company) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or owns or holds any Lien on any property of, the Company or any other Restricted Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated; *provided*, that (A) such designation was made at or prior to the Effective Date, or (B) the Subsidiary to be so designated has total consolidated assets of \$1,000 or less or (C) if such Subsidiary has consolidated assets greater than \$1,000, then such designation would be permitted under Section 409. The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided*, that immediately after giving effect to such designation (x) the Company could incur at least \$1.00 of additional Indebtedness under Section 407(a) or (y) the Consolidated Coverage Ratio would be greater than it was immediately prior to giving effect to such designation or (z) such Subsidiary shall be a Special Purpose Subsidiary with no Indebtedness outstanding other than Indebtedness that can be Incurred (and upon such designation shall be deemed to be Incurred and outstanding) pursuant to Section 407(b). Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Company's Board of Directors giving effect to such designation and an Officer's Certificate of the Company certifying that such designation complied with the foregoing provisions.

“U.S. Government Obligation” means (x) any security that is (i) a direct obligation of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (ii) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case under the preceding clause (i) or (ii), is not callable or redeemable at the option of the issuer thereof, and (y) any depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any U.S. Government Obligation that is specified in clause (x) above and held by such bank for the account of the holder of such depositary receipt, or with respect to any specific payment of principal of or interest on any U.S. Government Obligation that is so specified and held, *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S.

Government Obligation or the specific payment of principal or interest evidenced by such depositary receipt.

“Vehicle Rental Concession” means any right, whether or not exclusive, to conduct a Vehicle rental business at a Public Facility, or to pick up or discharge persons or otherwise to possess or use all or part of a Public Facility in connection with such a business, and any related rights or interests.

“Vehicle Rental Concession Rights” means any or all of the following: (a) any Vehicle Rental Concession, (b) any rights of the Company, any Restricted Subsidiary or any Franchisee under or relating to (i) any law, regulation, license, permit, request for proposals, invitation to bid, lease, agreement or understanding with a Public Facility Operator in connection with which a Vehicle Rental Concession has been or may be granted to the Company, any Restricted Subsidiary or any Franchisee and (ii) any agreement with, or Investment or other interest or participation in, any Person, property or asset required (x) by any such law, ordinance, regulation, license, permit, request for proposals, invitation to bid, lease, agreement or understanding or (y) by any Public Facility Operator as a condition to obtaining or maintaining a Vehicle Rental Concession, and (c) any liabilities or obligations relating to or arising in connection with any of the foregoing.

“Vehicles” means vehicles owned or operated by, or leased or rented to or by, the Company or any of its Subsidiaries, including automobiles, trucks, tractors, trailers, vans, sport utility vehicles, buses, campers, motor homes, motorcycles and other motor vehicles.

“Vice President”, when used with respect to any Person, means any vice president of such Person, whether or not designated by a number or a word or words added before or after the title “vice president.”

“Voting Stock” of an entity means all classes of Capital Stock of such entity then outstanding and normally entitled to vote in the election of directors or all interests in such entity with the ability to control the management or actions of such entity.

Section 102. Other Definitions.

<u>Term</u>	<u>Defined in Section</u>
“Act”	108
“Affiliate Transaction”	412
“Agent Members”	312
“Amendment”	410
“Authentication Order”	303
“Bankruptcy Law”	601
“Certificate of Beneficial Ownership”	313

“Change of Control Offer”	415
“Covenant Defeasance”	1203
“Custodian”	601
“Defaulted Interest”	307
“Defeasance”	1202
“Defeased Notes”	1201
“Distribution Compliance Period”	201
“Event of Default”	601
“Excess Proceeds”	411
“Expiration Date”	108
“Global Notes”	201
“Initial Agreement”	410
“Initial Lien”	413
“Minimum Denomination”	302
“Note Register” and “Note Registrar”	305
“Notice of Default”	601
“Offer”	411
“Paying Agent”	305
“Permanent Regulation S Global Note”	201
“Permitted Payment”	409
“Physical Notes”	201
“Private Placement Legend”	203
“Refinancing Agreement”	410
“Regulation S Global Notes”	201
“Regulation S Note Exchange Date”	313
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“Reporting Date”	405
“Restricted Payment”	409
“Rule 144A Global Note”	201
“Rule 144A Physical Notes”	201
“Subsidiary Guaranteed Obligations”	1,301
“Successor Company”	501
“Temporary Regulation S Global Note”	201
“Termination Date”	416

Section 103. Rules of Construction. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (1) the terms defined in this Indenture have the meanings assigned to them in this Indenture;
- (2) “or” is not exclusive;
- (3) all accounting terms not otherwise defined herein have the meanings

assigned to them in accordance with GAAP;

(4) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;

(5) all references to “\$” or “dollars” shall refer to the lawful currency of the United States of America;

(6) the words “include,” “included” and “including,” as used herein, shall be deemed in each case to be followed by the phrase “without limitation,” if not expressly followed by such phrase or the phrase “but not limited to”;

(7) words in the singular include the plural, and words in the plural include the singular;

(8) references to sections of, or rules under, the Securities Act shall be deemed to include substitute, replacement or successor sections or rules adopted by the SEC from time to time; and

(9) any reference to a Section, Article or clause refers to such Section, Article or clause of this Indenture.

Section 104. Incorporation by Reference of TIA. Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture. This Indenture is subject to the mandatory provisions of the TIA, which are incorporated by reference in and made a part of this Indenture. Any terms incorporated by reference in this Indenture that are defined by the TIA, defined by any TIA reference to another statute or defined by SEC rule under the TIA, have the meanings so assigned to them therein. The following TIA terms have the following meanings:

“indenture securities” means the Notes.

“indenture security holder” means a Noteholder.

“indenture to be qualified” means this Indenture.

“indenture trustee” or “institutional trustee” means the Trustee.

“obligor” on the indenture securities means the Company, any Subsidiary Guarantor, and any successor or other obligor on the indenture securities.

Section 105. Conflict with TIA. If any provision hereof limits, qualifies or conflicts with a provision of the TIA that is required under the TIA to be a part of and govern this Indenture, the latter provision shall control. If any provision of this Indenture modifies or

excludes any provision of the TIA that may be so modified or excluded, the latter provision shall be deemed (*i*) to apply to this Indenture as so modified or (*ii*) to be excluded, as the case may be.

Section 106. Compliance Certificates and Opinions. Upon any application or request by the Company or by any other obligor upon the Notes (including any Subsidiary Guarantor) to the Trustee to take any action under any provision of this Indenture, the Company or such other obligor (including any Subsidiary Guarantor), as the case may be, shall furnish to the Trustee such certificates and opinions as may be required under the TIA. Each such certificate or opinion shall be given in the form of one or more Officer's Certificates, if to be given by an Officer, or an Opinion of Counsel, if to be given by counsel, and shall comply with the requirements of the TIA and any other requirements set forth in this Indenture. Notwithstanding the foregoing, in the case of any such request or application as to which the furnishing of any Officer's Certificate or Opinion of Counsel is specifically required by any provision of this Indenture relating to such particular request or application, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (except for certificates provided for in Section 406) shall include:

- (1) a statement that the individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (3) a statement that, in the opinion of such individual, he or she made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (4) a statement as to whether, in the opinion of such individual, such condition or covenant has been complied with.

Section 107. Form of Documents Delivered to Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an Officer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such Officer knows that the certificate or opinion or representations with respect to the matters upon which

his certificate or opinion is based are erroneous. Any such certificate or opinion of counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an Officer or Officers to the effect that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 108. Acts of Noteholders; Record Dates.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, to the Company, as the case may be. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “Act” of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 701) conclusive in favor of the Trustee, the Company and any other obligor upon the Notes, if made in the manner provided in this Section 108.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership or other legal entity other than an individual, on behalf of such corporation or partnership or entity, such certificate or affidavit shall also constitute sufficient proof of such Person's authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner that the Trustee deems sufficient.

(c) The ownership of Notes shall be proved by the Note Register

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Note shall bind the Holder of every Note issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done, suffered or omitted to be done by the Trustee, the Company or any other obligor upon the Notes in reliance thereon, whether or not notation of such action is made upon such Note.

(e)

(i) The Company may set any day as a record date for the purpose of determining the Holders of Outstanding Notes entitled to give, make or take any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Indenture to be given, made or taken by Holders of Notes, *provided* that the Company may not set a record date for, and the provisions of this paragraph shall not apply with respect to, the giving or making of any notice, declaration, request or direction referred to in the next paragraph. If any record date is set pursuant to this paragraph, the Holders of Outstanding Notes on such record date (or their duly designated proxies), and no other Holders, shall be entitled to take the relevant action, whether or not such Persons remain Holders after such record date; *provided* that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of Outstanding Notes on such record date. Nothing in this paragraph shall be construed to prevent the Company from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite principal amount of Outstanding Notes on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Company, at its expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Trustee in writing and to each Holder of Notes in the manner set forth in Section 110.

(ii) The Trustee may set any day as a record date for the purpose of determining the Holders of Outstanding Notes entitled to join in the giving or making of (A) any Notice of Default, (B) any declaration of acceleration referred to in Section 602, (C) any request to institute proceedings referred to in Section 607(ii) or (D) any direction referred to in Section 612, in each case with respect to Notes. If any record date is set pursuant to this paragraph, the Holders of Outstanding Notes on such record date, and no other Holders, shall be entitled to join in such notice, declaration, request or direction, whether or not such Holders remain Holders after such record date; *provided* that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of Outstanding Notes on such record date. Nothing in this paragraph shall be construed to prevent the Trustee from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite principal amount of Outstanding Notes on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Trustee, at the Company's expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Company in writing and to each Holder of Notes in the manner set forth in Section 110.

(iii) With respect to any record date set pursuant to this Section 108, the party hereto that sets such record dates may designate any day as the “Expiration Date” and from time to time may change the Expiration Date to any earlier or later day; *provided* that no such change shall be effective unless notice of the proposed new Expiration Date is given to the Company or the Trustee, whichever such party is not setting a record date pursuant to this Section 108(e) in writing, and to each Holder of Notes in the manner set forth in Section 110, on or prior to the existing Expiration Date. If an Expiration Date is not designated with respect to any record date set pursuant to this Section 108, the party hereto that set such record date shall be deemed to have initially designated the 180th day after such record date as the Expiration Date with respect thereto, subject to its right to change the Expiration Date as provided in this paragraph. Notwithstanding the foregoing, no Expiration Date shall be later than the 180th day after the applicable record date.

(iv) Without limiting the foregoing, a Holder entitled hereunder to take any action hereunder with regard to any particular Note may do so with regard to all or any part of the principal amount of such Note or by one or more duly appointed agents each of which may do so pursuant to such appointment with regard to all or any part of such principal amount.

(v) Without limiting the generality of the foregoing, a Holder, including the Depositary, that is the Holder of a Global Note, may make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders, and the Depositary, as the Holder of a Global Note, may provide its proxy or proxies to the beneficial owners of interest in any such Global Note through such depositary's standing instructions and customary practices.

(vi) The Company may fix a record date for the purpose of determining the persons who are beneficial owners of interests in any Global Note held by the Depositary entitled under the procedures of such depositary to make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders. If such a record date is fixed, the Holders on such record date or their duly appointed proxy or proxies, and only such persons, shall be entitled to make, give or take such request, demand, authorization direction, notice consent, waiver or other action, whether or not such Holders remain Holders after such record date. No such request, demand, authorization, direction, notice, consent, waiver or other action shall be valid or effective if made, given or taken more than 90 days after such record date.

Section 109. Notices, etc., to Trustee and Company. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder or by the Company or by any other obligor upon the Notes shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at 45 Broadway, 14th Floor, New York, NY 10006, Attention: Corporate Trust Services Administrator for HDTFS, Inc. (telephone: (212) 515-5244; telecopier: (212) 515-1589) or at any other address furnished in writing to the Company by the Trustee, or

(2) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder if in writing and mailed, first class postage prepaid, to the Company at The Hertz Corporation, 225 Brae Boulevard, Park Ridge, New Jersey 07656, Attention: Richard J. Frecker, Associate General Counsel; with copies to Jenner & Block LLP, 353 N. Clark Street, Chicago, Illinois 60654, Attention: Thomas A. Monson, Esq. (telephone: (312) 840-8611; telecopier: (312) 840-8711) and Donald E. Batterson, Esq. (telephone: (312) 923-2607; telecopier: (312) 923-2707)), or at any other address previously furnished in writing to the Trustee by the Company.

(3) The Company or the Trustee, by notice to the other, may designate additional or different addresses for subsequent notices or communications.

Section 110. Notices to Holders; Waiver. Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first class postage prepaid, or by overnight air courier guaranteeing next day delivery, to each Holder affected by such event, at such Holder's address as it appears in the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case, by reason of the suspension of regular mail service, or by reason of any other cause, it shall be impossible to mail notice of any event as required by any provision of this Indenture, then such notification as shall be made with the approval of the Trustee (such approval not to be unreasonably withheld) shall constitute a sufficient notification for every purpose hereunder.

Notwithstanding any other provision of this Indenture or any Note, where this Indenture or any Note provides for notice of any event (including any notice of redemption) to a Holder of a Global Note (whether by mail or otherwise), such notice shall be sufficiently given if given to the Depository for such Note (or its designee) pursuant to the customary procedures of such

Depository.

Section 111. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 112. Successors and Assigns. All covenants and agreements in this Indenture by the Company shall bind its respective successors and assigns, whether so expressed or not. All agreements of the Trustee in this Indenture shall bind its successors.

Section 113. Separability Clause. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 114. Benefits of Indenture. Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any Paying Agent and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 115. GOVERNING LAW; WAIVER OF JURY TRIAL. THIS INDENTURE AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. THE TRUSTEE, THE COMPANY, ANY OTHER OBLIGOR IN RESPECT OF THE NOTES AND (BY THEIR ACCEPTANCE OF THE NOTES) THE HOLDERS AGREE TO SUBMIT TO THE JURISDICTION OF ANY UNITED STATES FEDERAL OR STATE COURT LOCATED IN THE BOROUGH OF MANHATTAN, IN THE CITY OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE OR THE NOTES. EACH OF THE COMPANY AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTION CONTEMPLATED HEREBY.

Section 116. Legal Holidays. In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Note shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Notes) payment of interest or principal and premium (if any) need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity, and no interest shall accrue on such payment for the intervening period.

Section 117. No Personal Liability of Directors, Officers, Employees, Incorporators and Stockholders. No director, officer, employee, incorporator or stockholder of the Company, any Subsidiary Guarantor or any Subsidiary of any thereof shall have any liability for any obligation of the Company or any Subsidiary Guarantor under this Indenture, the Notes or any

Subsidiary Guarantee, or for any claim based on, in respect of, or by reason of, any such obligation or its creation. Each Noteholder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Section 118. Exhibits and Schedules. All exhibits and schedules attached hereto are by this reference made a part hereof with the same effect as if herein set forth in full.

Section 119. Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 120. U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

ARTICLE II

NOTE FORMS

Section 201. Forms Generally. (a) The Initial Notes and Initial Additional Notes that are not Exchange Notes and the Trustee's certificate of authentication relating thereto shall be in substantially the forms set forth, or referenced, in this Article II and Exhibit A annexed hereto (as such forms may be modified in accordance with Section 301). The Exchange Notes and any Additional Notes that are not Initial Additional Notes, or that are issued in a registered offering pursuant to the Securities Act, and the Trustee's certificate of authentication relating thereto shall be in substantially the forms set forth, or referenced, in this Article II and Exhibit B annexed hereto (as such forms may be modified in accordance with Section 301). Each of Exhibits A and B is hereby incorporated in and expressly made a part of this Indenture. The Notes may have such appropriate insertions, omissions, substitutions, notations, legends, endorsements, identifications and other variations as are required or permitted by law, stock exchange rule or depository rule or usage, agreements to which the Company is subject, if any, or other customary usage, or as may consistently herewith be determined by the Officers of the Company executing such Notes, as evidenced by such execution (*provided* always that any such notation, legend, endorsement, identification or variation is in a form acceptable to the Company). Each Note shall be dated the date of its authentication. The terms of the Notes set forth in Exhibits A and B are part of the terms of this Indenture. Any portion of the text of any Note may be set forth on

the reverse thereof, with an appropriate reference thereto on the face of the Note.

Initial Notes and any Initial Additional Notes offered and sold in reliance on Rule 144A shall, unless the Company otherwise notifies the Trustee in writing, be issued in the form of one or more permanent global Notes in substantially the form set forth in Exhibit A hereto (as such form may be modified in accordance with Section 301), except as otherwise permitted herein. Such Global Notes shall be referred to collectively herein as the “Rule 144A Global Note.” The Rule 144A Global Note shall be deposited with the Trustee, as custodian for the Depository or its nominee, in each case for credit to an account of an Agent Member, and shall be duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of a Rule 144A Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee as hereinafter provided.

Initial Notes and any Initial Additional Notes offered and sold in offshore transactions in reliance on Regulation S under the Securities Act shall, unless the Company otherwise notifies the Trustee in writing, be issued in the form of one or more temporary global Notes in substantially the form set forth in Exhibit A hereto (as such form may be modified in accordance with Section 301), except as otherwise permitted herein. Such Global Notes will be referred to collectively herein as the “Temporary Regulation S Global Note.” The Temporary Regulation S Global Note shall be deposited with the Trustee, as custodian for the Depository or its nominee for the accounts of designated Agent Members holding on behalf of Euroclear or Clearstream and shall be duly executed by the Company and authenticated by the Trustee as hereinafter provided.

Following the expiration of the distribution compliance period set forth in Regulation S (the “Distribution Compliance Period”) with respect to any Temporary Regulation S Global Note, beneficial interests in such Temporary Regulation S Global Note shall be exchanged as provided in Sections 312 and 313 for beneficial interests in one or more permanent global Notes in substantially the form set forth in Exhibit A hereto (as such form may be modified in accordance with Section 301), except as otherwise permitted herein. Such Global Notes will be referred to collectively herein as the “Permanent Regulation S Global Note.” The Permanent Regulation S Global Notes and the Temporary Regulation S Global Notes shall be referred to collectively herein as the “Regulation S Global Notes.” The Permanent Regulation S Global Note shall be deposited with the Trustee, as custodian for the Depository or its nominee for credit to the account of an Agent Member and shall be duly executed by the Company and authenticated by the Trustee as hereinafter provided. Simultaneously with the authentication of a Permanent Regulation S Global Note, the Trustee shall cancel the related Temporary Regulation S Global Note. The aggregate principal amount of a Regulation S Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee as hereinafter provided.

Subject to the limitations on the issuance of certificated Notes set forth in Sections 312 and 313, Initial Notes and any Initial Additional Notes issued pursuant to Section 305 in exchange for or upon transfer of beneficial interests (x) in a Rule 144A Global Note shall be in

the form of permanent certificated Notes substantially in the form set forth in Exhibit A hereto (as such form may be modified in accordance with Section 301) (the “Rule 144A Physical Notes”) or (y) in a Regulation S Global Note (if any), on or after the Regulation S Note Exchange Date with respect to such Regulation S Global Note, shall be in the form of permanent certificated Notes substantially in the form set forth in Exhibit A hereto (as such form may be modified in accordance with Section 301) (the “Regulation S Physical Notes”) as hereinafter provided.

The Rule 144A Physical Notes and Regulation S Physical Notes shall be construed to include any certificated Notes issued in respect thereof pursuant to Section 304, 305, 306 or 1008, and the Rule 144A Global Notes and Regulation S Global Notes shall be construed to include any global Notes issued in respect thereof pursuant to Section 304, 305, 306 or 1008. The Rule 144A Physical Notes and the Regulation S Physical Notes, together with any other certificated Notes issued and authenticated pursuant to this Indenture, are sometimes collectively herein referred to as the “Physical Notes.” The Rule 144A Global Notes and the Regulation S Global Notes, together with any other global Notes that are issued and authenticated pursuant to this Indenture, are sometimes collectively referred to as the “Global Notes.”

Exchange Notes shall be issued substantially in the form set forth in Exhibit B hereto (as such form may be modified in accordance with Section 301) and, subject to Section 312(b), shall be in the form of one or more Global Notes.

Section 202. Form of Trustee's Certificate of Authentication. The Notes will have endorsed thereon a Trustee's certificate of authentication in substantially the following form:

This is one of the Notes referred to in the within mentioned Indenture.

as Trustee

By: _____

Authorized Signatory

Dated:

If an appointment of an Authenticating Agent is made pursuant to Section 714, the Notes may have endorsed thereon, in lieu of the Trustee's certificate of authentication, an alternative certificate of authentication in substantially the following form:

This is one of the Notes referred to in the within mentioned Indenture.

WELLS FARGO BANK,
NATIONAL ASSOCIATION

as Trustee

By: _____
As Authenticating Agent

By: _____
As Authorized Signatory

Dated:

Section 203. Restrictive and Global Note Legends. Each Global Note and Physical Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the following legend set forth below (the “Private Placement Legend”) on the face thereof until the Private Placement Legend is removed or not required in accordance with Section 313(4):

“THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH BELOW. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER OR ANOTHER EXEMPTION UNDER THE SECURITIES ACT.

BY ITS ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE (I) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT OR (C) IT IS AN “INSTITUTIONAL” ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a)(1), (2), (3), OR (7) UNDER REGULATION D PROMULGATED UNDER THE SECURITIES ACT (AN “ACCREDITED INVESTOR”)) AND (2) AGREES THAT IT WILL NOT WITHIN [ONE YEAR-FOR NOTES ISSUED PURSUANT TO RULE 144A][40 DAYS-FOR NOTES ISSUED IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S] AFTER THE LATER OF THE DATE OF THE ORIGINAL ISSUANCE OF THIS NOTE AND THE DATE ON WHICH THE COMPANY OR ANY OF ITS AFFILIATES OWNED THIS NOTE, OFFER, RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) (I) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (I) FOR SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT

TO RULE 144A UNDER THE SECURITIES ACT INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (III) INSIDE THE UNITED STATES TO AN ACCREDITED INVESTOR THAT IS ACQUIRING THE NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE NOTES OF \$250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR THE OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, AND THAT PRIOR TO SUCH TRANSFER, FURNISHES (OR HAS FURNISHED ON ITS BEHALF BY A U.S. BROKER-DEALER) TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS NOTE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE FOR THIS NOTE), (IV) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT (IF AVAILABLE), (V) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (VI) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), OR (VII) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS. BY ITS ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE FURTHER AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS NOTE PURSUANT TO SUBCLAUSES (III) TO (VI) OF CLAUSE (A) ABOVE, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE COMPANY SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT."

Each Global Note, whether or not an Initial Note, shall also bear the following legend on the face thereof:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC") TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY

CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 312 AND 313 OF THE INDENTURE (AS DEFINED HEREIN).”

Each Temporary Regulation S Global Note shall also bear the following legend on the face thereof:

“BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON, NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON, AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

EXCEPT AS SPECIFIED IN THE INDENTURE, BENEFICIAL OWNERSHIP INTERESTS IN THIS TEMPORARY REGULATION S GLOBAL NOTE WILL NOT BE EXCHANGEABLE FOR INTERESTS IN THE PERMANENT REGULATION S GLOBAL NOTE OR ANY OTHER NOTE REPRESENTING AN INTEREST IN THE NOTES REPRESENTED HEREBY WHICH DO NOT CONTAIN A LEGEND CONTAINING RESTRICTIONS ON TRANSFER, UNTIL THE EXPIRATION OF THE “40 DAY DISTRIBUTION COMPLIANCE PERIOD” (WITHIN THE MEANING OF RULE 903(b)(2) OF REGULATION S UNDER THE SECURITIES ACT). DURING SUCH 40 DAY DISTRIBUTION COMPLIANCE PERIOD, BENEFICIAL OWNERSHIP INTERESTS IN THIS TEMPORARY REGULATION S GLOBAL NOTE MAY ONLY BE SOLD, PLEDGED OR TRANSFERRED THROUGH EUROCLEAR BANK S.A./N.A., AS OPERATOR OF THE EUROCLEAR SYSTEM, OR CLEARSTREAM BANKING, SOCIÉTÉ ANONYME.”

ARTICLE III

THE NOTES

Section 301. Amounts Unlimited; Issuable in Series. The aggregate principal amount of Notes that may be authenticated and delivered and Outstanding under this Indenture is not

limited. The Notes may be issued from time to time in one or more series. Except as provided in Section 902, all Notes (including any Exchange Notes issued in exchange therefor) will vote (or consent) as a single class with the other Notes and otherwise be treated as Notes for all purposes of this Indenture.

The following matters shall be established with respect to each series of Notes issued hereunder in a Notes Supplemental Indenture:

(1) the title of the Notes of the series (which title shall distinguish the Notes of the series from all other series of Notes);

(2) any limit (if any) upon the aggregate principal amount of the Notes of the series that may be authenticated and delivered under this Indenture (which limit shall not pertain to Notes authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, other Notes of the series pursuant to Section 304, 305, 306, 312(c), 312(d) or 1008);

(3) the date or dates on which the principal of and premium, if any, on the Notes of the series is payable or the method of determination and/or extension of such date or dates, and the amount or amounts of such principal and premium, if any, payments and methods of determination thereof;

(4) the rate or rates at which the Notes of the series shall bear interest, if any, or the method of calculating and/or resetting such rate or rates of interest, the date or dates from which such interest shall accrue or the method by which such date or dates shall be determined, and the Interest Payment Dates on which any such interest shall be payable;

(5) the period or periods within which, the price or prices at which, and other terms and conditions upon which Notes of the series (i) may be redeemed, in whole or in part, at the option of the Company, if the Company is to have the option or (ii) shall be redeemed, in whole or in part, upon the occurrence of specified events, if the Notes shall be subject to a mandatory redemption provision;

(6) if other than the principal amount thereof, the portion of the principal amount of Notes of the series that shall be payable upon declaration of acceleration of maturity thereof pursuant to Section 602 or the method by which such portion shall be determined;

(7) in the case of any Notes, other than Initial Notes and any Exchange Notes issued in exchange for Initial Notes, any addition to or change in the Events of Default which apply to any Notes of the series and any change in the right of the Trustee or the requisite Holders of such Notes to declare the principal amount thereof due and payable pursuant to Section 602; and

(8) in the case of any Notes, other than Initial Notes and any Exchange Notes issued in exchange for Initial Notes, any addition to or change in the covenants set forth in Article IV.

The form of the Notes of such series, as set forth in Exhibit A as the case may be, may be modified to reflect such matters as so established in such Notes Supplemental Indenture.

Such matters may also be established in a Notes Supplemental Indenture for any Additional Notes issued hereunder that are to be of the same series as any Notes previously issued hereunder. Notes that have the same terms described in the foregoing clauses (1) through (8) will be treated as the same series, unless otherwise designated by the Company.

Section 302. Denominations. The Notes shall be issuable only in fully registered form, without coupons, and only in minimum denominations of \$2,000 (the "Minimum Denomination") and integral multiples of \$1,000 in excess thereof.

Section 303. Execution, Authentication and Delivery and Dating. The Notes shall be executed on behalf of the Company by one Officer of the Company. The signature of any such Officer on the Notes may be manual or by facsimile.

Notes bearing the manual or facsimile signature of an individual who was at any time an Officer of the Company shall bind the Company, notwithstanding that such individual has ceased to hold such office prior to the authentication and delivery of such Notes or did not hold such office at the date of such Notes.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Notes executed by the Company to the Trustee for authentication; and the Trustee shall authenticate and deliver (*i*) Initial Notes for original issue in the aggregate principal amount not to exceed \$1,200.0 million, (*ii*) Additional Notes in one or more series (which may be of the same series as any Notes previously issued hereunder, or of a different series) from time to time for original issue in aggregate principal amounts specified by the Company and (*iii*) Exchange Notes from time to time for issue in exchange for a like principal amount of Initial Notes or Initial Additional Notes, in each case specified in clauses (i) through (iii) above, upon a written order of the Company in the form of an Officer's Certificate of the Company (an "Authentication Order"). Such Officer's Certificate shall specify the amount of Notes to be authenticated and the date on which the Notes are to be authenticated, the "CUSIP", "ISIN", "Common Code" or other similar identification numbers of such Notes, if any, whether the Notes are to be Initial Notes, Additional Notes or Exchange Notes and whether the Notes are to be issued as one or more Global Notes or Physical Notes and such other information as the Company may include or the Trustee may reasonably request.

All Notes shall be dated the date of their authentication.

No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for

any purpose, unless there appears on such Note a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

Section 304. Temporary Notes. Until definitive Notes are ready for delivery, the Company may prepare and upon receipt of an Authentication Order the Trustee shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of definitive Notes but may have variations that the Company considers appropriate for temporary Notes. If temporary Notes are issued, the Company will cause definitive Notes to be prepared without unreasonable delay. After the preparation of definitive Notes, the temporary Notes shall be exchangeable for definitive Notes upon surrender of the temporary Notes at the office or agency of the Company in a Place of Payment, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes the Company shall execute and upon receipt of an Authentication Order the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Notes of authorized denominations. Until so exchanged the temporary Notes shall in all respects be entitled to the same benefits under this Indenture as definitive Notes of the same series and tenor.

Section 305. Registrar and Paying Agent. The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agency of the Company in a Place of Payment being herein sometimes collectively referred to as the “Note Register”) in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Notes and of transfers of Notes. The Company may have one or more co-registrars. The term “Note Registrar” includes any co-registrars.

The Company shall also maintain an office or agent within the United States where Notes may be presented for payment (the “Paying Agent”); *provided, however*, that at the option of the Company payment of interest on a Note may be made by wire transfer of immediately available funds to the account designated to the Company by the Person entitled thereto or by check mailed to the address of the Person entitled thereto as such address shall appear in the Note Register. The Company may have one or more additional paying agents, and the term “Paying Agent” includes any additional Paying Agent.

The Company initially appoints the Trustee as “Note Registrar” and “Paying Agent” in connection with the Notes until such time as it has resigned or a successor has been appointed. The Company may change the Paying Agent or Note Registrar for any series of Notes without prior notice to the Holders of Notes. The Company may enter into an appropriate agency agreement with any Note Registrar or Paying Agent not a party to this Indenture. Any such agency agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee in writing of the name and address of any such agent. If the Company fails to appoint or maintain a Note Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 707. The

Company or any wholly-owned Domestic Subsidiary of the Company may act as Paying Agent, Note Registrar or transfer agent.

Upon surrender for transfer of any Note at the office or agency of the Company in a Place of Payment, in compliance with all applicable requirements of this Indenture and applicable law, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of the same series, of any authorized denominations and of a like aggregate principal amount.

At the option of the Holder, Notes may be exchanged for other Notes of the same series, of any authorized denominations and of a like tenor and aggregate principal amount, upon surrender of the Notes to be exchanged at such office or agency. Whenever any Notes are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Notes that the Holder making the exchange is entitled to receive.

All Notes issued upon any transfer or exchange of Notes shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such transfer or exchange.

Every Note presented or surrendered for transfer or exchange shall (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Note Registrar duly executed, by the Holder thereof or such Holder's attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or other governmental charge that may be imposed in connection therewith.

The Company shall not be required (i) to issue, transfer or exchange any Note during a period beginning at the opening of business 15 Business Days before the day of the mailing of a notice of redemption (or purchase) of Notes selected for redemption (or purchase) under Section 1004 and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Note so selected for redemption (or purchase) in whole or in part.

Section 306. Mutilated, Destroyed, Lost and Stolen Notes. If a mutilated Note is surrendered to the Note Registrar or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Note if the requirements of Section 8-405 of the Uniform Commercial Code are met, such that the Holder (a) satisfies the Company or the Trustee within a reasonable time after such Holder has notice of such loss, destruction or wrongful taking and the Note Registrar does not register a transfer prior to receiving such notification, (b) makes such request to the Company or the Trustee prior to the Note being acquired by a protected purchaser as defined in Section 8-303 of the Uniform Commercial Code (a "protected purchaser") and (c) satisfies any other reasonable requirements of the Trustee. Such Holder shall furnish an indemnity bond sufficient

in the judgment of the Trustee to protect the Company, the Trustee, a Paying Agent and the Note Registrar from any loss that any of them may suffer if a Note is replaced.

In case any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Note, pay such Note.

Upon the issuance of any new Note under this Section 306, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Note issued pursuant to this Section 306 in lieu of any destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and ratably with any and all other Notes duly issued hereunder.

The provisions of this Section 306 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 307. Payment of Interest Rights Preserved. Interest on any Note that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Note (or one or more Predecessor Notes) is registered at the close of business on the Regular Record Date for such interest specified in Section 4 of the applicable Notes Supplemental Indenture.

Unless otherwise specified for Notes of any series in the applicable Notes Supplemental Indenture, as contemplated by Section 301, any interest on any Note that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered Holder on the relevant Regular Record Date by virtue of having been such Holder; and such Defaulted Interest may be paid by the Company, at its election, as provided in clause (1) or clause (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Notes (or their respective Predecessor Notes) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee and Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee or Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements reasonably satisfactory to the Trustee or Paying Agent for such

deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in this clause (1). Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee and the Paying Agent of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Holder at such Holder's address as it appears in the Note Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Notes (or their respective Predecessor Notes) are registered on such Special Record Date and shall no longer be payable pursuant to the following clause (2).

(2) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee and the Paying Agent of the proposed payment pursuant to this clause (2), such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section 307, each Note delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Note of the same series shall carry the rights to interest accrued and unpaid, and to accrue, that were carried by such other Note of such series.

Section 308. Persons Deemed Owners. The Company, any Subsidiary Guarantor, the Trustee, the Paying Agent and any agent of any of them may treat the Person in whose name any Note is registered as the owner of such Note for the purpose of receiving payment of principal of (and premium, if any), and (subject to Section 307) interest on, such Note and for all other purposes whatsoever, whether or not such Note be overdue, and none of the Company, any Subsidiary Guarantor, the Trustee, the Paying Agent nor any agent of any of them shall be affected by notice to the contrary.

Section 309. Cancellation. All Notes surrendered for payment, redemption, transfer, exchange or conversion shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and, if not already cancelled, shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder that the Company may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes cancelled as provided in this Section 309, except as expressly permitted by this Indenture. All cancelled Notes held by the Trustee shall be disposed of by the

Trustee in accordance with its customary procedures (subject to the record retention requirements of the Exchange Act).

Section 310. Computation of Interest. Unless otherwise specified for Notes of any series in the applicable Notes Supplemental Indenture, as contemplated by Section 301, interest on the Notes shall be computed on the basis of a 360-day year of twelve 30 day months.

Section 311. CUSIP Numbers, ISINs, Etc. The Company in issuing the Notes may use “CUSIP” numbers, ISINs and “Common Code” numbers (if then generally in use), and if so, the Trustee may use the CUSIP numbers, ISINs and “Common Code” numbers in notices of redemption or exchange as a convenience to Holders; *provided, however*, that any such notice may state that no representation is made as to the correctness or accuracy of such numbers printed in the notice or on the Notes; that reliance may be placed only on the other identification numbers printed on the Notes; and that any redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee of any change in the CUSIP numbers.

Section 312. Book-Entry Provisions for Global Notes.

(a) Each Global Note initially shall (i) be registered in the name of the Depository for such Global Note or the nominee of such Depository, in each case for credit to the account of an Agent Member, and (ii) be delivered to the Trustee as custodian for such Depository. Neither the Company nor any agent of the Company shall have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Note, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Members of, or participants in, the Depository (“Agent Members”) shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depository, or its custodian, or under such Global Notes. The Depository may be treated by the Company, any other obligor upon the Notes, the Trustee and any agent of any of them as the absolute owner of the Global Notes for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, any other obligor upon the Notes, the Trustee or any agent of any of them from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between the Depository and its Agent Members, the operation of customary practices governing the exercise of the rights of a beneficial owner of any Note. The registered holder of a Global Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action that a Holder is entitled to take under this Indenture or the Notes.

(b) Transfers of a Global Note shall be limited to transfers of such Global Note in whole, but, subject to the immediately succeeding sentence, not in part, to the Depository, its successors or their respective nominees. Interests of beneficial owners in a Global Note may not be transferred or exchanged for Physical Notes unless (i) the Company has consented thereto in

writing, or such transfer or exchange is made pursuant to the next sentence, and (*ii*) such transfer or exchange is in accordance with the applicable rules and procedures of the Depository and the provisions of Sections 305 and 313. Subject to the limitation on issuance of Physical Notes set forth in Section 313(3), Physical Notes shall be transferred to all beneficial owners in exchange for their beneficial interests in the relevant Global Note, if (*i*) the Depository notifies the Company at any time that it is unwilling or unable to continue as Depository for the Global Notes and a successor depository is not appointed within 120 days; (*ii*) the Depository ceases to be registered as a “Clearing Agency” under the Securities Exchange Act of 1934 and a successor depository is not appointed within 120 days; (*iii*) the Company, at its option, notifies the Trustee that it elects to cause the issuance of Physical Notes; or (*iv*) an Event of Default shall have occurred and be continuing with respect to the Notes and the Trustee has received a written request from the Depository to issue Physical Notes.

(c) In connection with any transfer or exchange of a portion of the beneficial interest in any Global Note to beneficial owners for Physical Notes pursuant to Section 312(b), the Note Registrar shall record on its books and records the date and a decrease in the principal amount of such Global Note in an amount equal to the beneficial interest in the Global Note being transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more Physical Notes of like tenor and principal amount of authorized denominations.

(d) In connection with a transfer of an entire Global Note to beneficial owners pursuant to Section 312(b), the applicable Global Note shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by the Depository, Euroclear or Clearstream, as the case may be, in exchange for its beneficial interest in the applicable Global Note, an equal aggregate principal amount at maturity of Rule 144A Physical Notes (in the case of any Rule 144A Global Note) or Regulation S Physical Notes (in the case of any Regulation S Global Note), as the case may be, of authorized denominations.

(e) The transfer and exchange of a Global Note or beneficial interests therein shall be effected through the Depository, in accordance with this Indenture (including applicable restrictions on transfer set forth in Section 313) and the procedures thereof of the Depository, Euroclear or Clearstream, as the case may be. Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in a different Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest. A transferor of a beneficial interest in a Global Note shall deliver to the Note Registrar a written order given in accordance with the procedures of the Depository or of Euroclear or Clearstream, as applicable, containing information regarding the participant account of the Depository to be credited with a beneficial interest in the relevant Global Note. Subject to Section 313, the Note Registrar shall, in accordance with such instructions, instruct the Depository or Euroclear or Clearstream, as applicable, to credit to the account of the Person

specified in such instructions a beneficial interest in such Global Note and to debit the account of the Person making the transfer the beneficial interest in the Global Note being transferred.

(f) Any Physical Note delivered in exchange for an interest in a Global Note pursuant to Section 312(b) shall, unless such exchange is made on or after the Resale Restriction Termination Date applicable to such Note and except as otherwise provided in Section 203 and Section 313, bear the Private Placement Legend.

(g) Notwithstanding the foregoing, through the Distribution Compliance Period, a beneficial interest in a Regulation S Global Note may be held only through Euroclear or Clearstream, or designated Agent Members holding on behalf of Euroclear or Clearstream unless delivery is made in accordance with the applicable provisions of Section 313.

(h) The Holder of any Global Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Notes.

(i) Neither the Trustee nor any agent of the Trustee shall have any responsibility or liability for any action taken by, or any failure to act by, the Depository.

Section 313. Special Transfer Provisions.

(1) Transfers to Non U.S. Persons. The following provisions shall apply with respect to the registration of any proposed transfer of a Note that is a Restricted Security to any Non U.S. Person: The Note Registrar shall register such transfer if it complies with all other applicable requirements of this Indenture (including Section 305) and,

(a) if (x) such transfer is after the relevant Resale Restriction Termination Date with respect to such Note or (y) the proposed transferor has delivered to the Note Registrar and the Company and the Trustee a Regulation S Certificate and, unless otherwise agreed by the Company and the Trustee, an opinion of counsel, certifications and other information satisfactory to the Company and the Trustee, and

(b) if the proposed transferor is or is acting through an Agent Member holding a beneficial interest in a Global Note, upon receipt by the Note Registrar and the Company and the Trustee of (x) the certificate, opinion, certifications and other information, if any, required by clause (a) above and (y) written instructions given in accordance with the procedures of the Note Registrar and of the Depository;

whereupon (i) the Note Registrar shall reflect on its books and records the date and (if the transfer does not involve a transfer of any Outstanding Physical Note) a decrease in the principal amount of the relevant Global Note in an amount equal to the principal amount of the beneficial interest in the relevant Global Note to be transferred, and (ii) either (A) if the proposed transferee is or is acting through an Agent Member holding a beneficial interest in a relevant Regulation S

Global Note, the Note Registrar shall reflect on its books and records the date and an increase in the principal amount of such Regulation S Global Note in an amount equal to the principal amount of the beneficial interest being so transferred or (B) otherwise the Company shall execute and the Trustee shall authenticate and deliver one or more Physical Notes of like tenor and amount.

(2) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of a Note that is a Restricted Security to a QIB (excluding transfers to Non-U.S. Persons): The Note Registrar shall register such transfer if it complies with all other applicable requirements of this Indenture (including Section 305) and,

(a) if such transfer is being made by a proposed transferor who has checked the box provided for on the form of such Note stating, or has otherwise certified to the Note Registrar and the Company and the Trustee in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of such Note stating, or has otherwise certified to Note Registrar and the Company and the Trustee in writing, that it is purchasing such Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A; and

(b) if the proposed transferee is an Agent Member, and the Note to be transferred consists of a Physical Note that after transfer is to be evidenced by an interest in a Global Note or consists of a beneficial interest in a Global Note that after the transfer is to be evidenced by an interest in a different Global Note, upon receipt by the Note Registrar of written instructions given in accordance with the procedures of the Note Registrar and of the Depository or Euroclear or Clearstream, as applicable, whereupon the Note Registrar shall reflect on its books and records the date and an increase in the principal amount of the transferee Global Note in an amount equal to the principal amount of the Physical Note or such beneficial interest in such transferor Global Note to be transferred, and the Trustee shall cancel the Physical Note so transferred or reflect on its books and records the date and a decrease in the principal amount of such transferor Global Note, as the case may be.

(3) Limitation on Issuance of Physical Notes. No Physical Note shall be exchanged for a beneficial interest in any Global Note, except in accordance with Section 312 and this Section 313.

A beneficial owner of an interest in a Temporary Regulation S Global Note (and, in the case of any Additional Notes for which no Temporary Regulation S Global Note is issued, any

Regulation S Global Note) shall not be permitted to exchange such interest for a Physical Note or (in the case of such interest in a Temporary Regulation S Global Note) an interest in a Permanent Regulation S Global Note until a date, which must be after the expiration of the Distribution Compliance Period, on which the Company receives a certificate of beneficial ownership substantially in the form of Exhibit C from such beneficial owner (a “Certificate of Beneficial Ownership”). Such date, as it relates to a Regulation S Global Note, is herein referred to as the “Regulation S Note Exchange Date.”

(4) Private Placement Legend. Upon the transfer, exchange or replacement of Notes not bearing the Private Placement Legend, the Note Registrar shall deliver Notes that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Notes bearing the Private Placement Legend, the Note Registrar shall deliver only Notes that bear the Private Placement Legend unless (i) the requested transfer is after the relevant Resale Restriction Termination Date with respect to such Notes, (ii) upon written request of the Company after there is delivered to the Note Registrar an opinion of counsel (which opinion and counsel are satisfactory to the Company and the Trustee) to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act, (iii) with respect to a Regulation S Global Note (on or after the Regulation S Note Exchange Date with respect to such Regulation S Global Note) or Regulation S Physical Note, in each case with the agreement of the Company, or (iv) such Notes are sold or exchanged pursuant to an effective registration statement under the Securities Act.

(5) Other Transfers. The Note Registrar shall effect and register, upon receipt of a written request from the Company to do so, a transfer not otherwise permitted by this Section 313, such registration to be done in accordance with the otherwise applicable provisions of this Section 313, upon the furnishing by the proposed transferor or transferee of a written opinion of counsel (which opinion and counsel are satisfactory to the Company and the Trustee) to the effect that, and such other certifications or information as the Company or the Trustee may require (including, in the case of a transfer to an Accredited Investor (as defined in Rule 501(a)(1), (2), (3) or (7) under Regulation D promulgated under the Securities Act), a certificate substantially in the form of Exhibit F) to confirm that, the proposed transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

A Note that is a Restricted Security may not be transferred other than as provided in this Section 313. A beneficial interest in a Global Note that is a Restricted Security may not be exchanged for a beneficial interest in another Global Note other than through a transfer in compliance with this Section 313.

(6) General. By its acceptance of any Note bearing the Private Placement Legend, each Holder of such a Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and in the Private Placement Legend and agrees that it will transfer such Note only as provided in this Indenture.

The Note Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 312 or this Section 313 (including all Notes received for transfer pursuant to Section 313). The Company shall have the right to require the Note Registrar to deliver to the Company, at the Company's expense, copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Note Registrar.

In connection with any transfer of any Note, the Trustee, the Note Registrar and the Company shall be entitled to receive, shall be under no duty to inquire into, may conclusively presume the correctness of, and shall be fully protected in conclusively relying upon the certificates, opinions and other information referred to herein (or in the forms provided herein, attached hereto or to the Notes, or otherwise) received from any Holder and any transferee of any Note regarding the validity, legality and due authorization of any such transfer, the eligibility of the transferee to receive such Note and any other facts and circumstances related to such transfer.

Section 314. Payment of Additional Interest.

(a) Under certain circumstances the Company may be obligated to pay certain additional amounts of interest to the Holders of certain Initial Notes or Initial Additional Notes, as may be more particularly set forth in such Initial Notes or Initial Additional Notes, or in any registration rights agreement relating to such Initial Notes or Initial Additional Notes and to this Indenture (including any amendment or supplement hereto).

(b) Prior to any Interest Payment Date on which any such additional interest is payable, the Company shall give notice to the Trustee of the amount of any additional interest due on such Interest Payment Date.

ARTICLE IV

COVENANTS

Section 401. Payment of Principal, Premium and Interest. The Company shall duly and punctually pay the principal of (and premium, if any) and interest on the Notes in accordance with the terms of the Notes and this Indenture. Principal amount (and premium, if any) and interest on the Notes shall be considered paid on the date due if the Company shall have deposited with the Paying Agent (if other than the Company or a wholly-owned Domestic Subsidiary of the Company) as of 12:00 p.m. New York City time on the due date money in immediately available funds and designated for and sufficient to pay all principal amount (and premium, if any) and interest then due. At the option of the Company, payment of Interest on a Note may be made by wire transfer of immediately available funds to the account designated to the Company by the Person entitled thereto or by check mailed to the address of the Person entitled thereto as such address shall appear in the Note Register.

Section 402. Maintenance of Office or Agency.

(a) The Company shall maintain in the United States one or more offices or agencies where Notes may be presented or surrendered for payment, where Notes may be surrendered for transfer or exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and of any change in the location, of such office or agency. If at any time the Company shall fail to maintain such office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

(b) The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all purposes and may from time to time rescind such designations.

The Company hereby designates the Corporate Trust Office of the Trustee as such office or agency of the Company where Notes may be presented or surrendered for payment or for transfer or exchange for so long as such Corporate Trust Office remains a Place of Payment in accordance with Section 305 hereof.

Section 403. Money for Payments to Be Held in Trust. If the Company shall at any time act as its own Paying Agent, it shall, on or before 12:00 p.m., New York City time on each due date of the principal of (and premium, if any) or interest on any of the Notes, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal (and premium, if any) or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided, and shall promptly notify the Trustee of its action or failure so to act.

If the Company is not acting as its own Paying Agent, it shall, on or prior to 12:00 p.m., New York City time on each due date of the principal of (and premium, if any) or interest on any Notes, deposit with a Paying Agent a sum sufficient to pay the principal (and premium, if any) or interest, so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company shall promptly notify the Trustee of its action or failure so to act.

If the Company is not acting as its own Paying Agent, the Company shall cause any Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section 403, that such Paying Agent shall

- (1) hold all sums held by it for the payment of principal of (and premium, if any) or interest on Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;
- (2) give the Trustee notice of any default by the Company (or any other obligor upon the Notes) in the making of any such payment of principal (and premium, if

any) or interest;

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent; and

(4) acknowledge, accept and agree to comply in all respects with the provisions of this Indenture and TIA relating to the duties, rights and liabilities of such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of (and premium, if any) or interest on any Note and remaining unclaimed for two years after such principal (and premium, if any) or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease.

Section 404. Limitation on Activities Prior to the Escrow Release.

(a) Prior to the date of the consummation of the Tender Offer, Newco's primary activities will be restricted to issuing the Notes, issuing capital stock to, and receiving capital contributions from, any parent, performing its obligations in respect of the Notes under the Indenture, the Escrow Agreement, and the Purchase Agreement contributing, advancing or otherwise transferring the proceeds of the Notes, directly or indirectly, to Merger Sub to consummate the Tender Offer, consummating the Escrow Release, redeeming the Notes, if applicable, and conducting such other activities as are necessary, advisable or appropriate to carry out the activities described above or related to the Transactions. Prior to the Escrow Release Date, Newco will not own, hold or otherwise have any interest in any material assets other than the Escrow Account, the Escrowed Funds, cash and Cash Equivalents.

(b) Prior to the consummation of the Tender Offer, Newco will not: (i) make any Restricted Payment, except Investments deemed to exist by virtue of the Escrow Agreement; (ii) Incur any Indebtedness except (A) the Notes and (B) Indebtedness that is not secured by a Lien on any assets, property or Capital Stock owned by Newco, the proceeds of which Indebtedness are used solely for deposit (or the purchase of Treasury Securities to be deposited) with the

Escrow Agent in an amount not to exceed the amount necessary, together with net proceeds of the issuance of the Notes, to enable the Company to make deposits of funds sufficient to pay interest with respect to the Notes up to, but not including, the latest possible Special Mandatory Redemption Date based on the then applicable Outside Date; (iii) Incur any Liens except in favor of the Escrow Agent or the Trustee for the benefit of the Holders of the Notes; (iv) enter into any merger, consolidation or sale of all or substantially all of its assets; (v) make any Asset Disposition, except the release of the amounts in the Escrow Account in accordance with the terms of the Escrow Agreement; or (vi) engage in any transaction with its Affiliates; except, in the case of each of the foregoing, (A) to the extent permitted by and made in accordance with the second sentence of Section 404(a) or (B) in the ordinary course of business or necessary or advisable in connection with or to effectuate the Tender Offer, the Merger and the other Transactions.

Section 405. SEC Reports. From and after the Effective Date, notwithstanding that the Company may not be required to be or remain subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, the Company will file with the SEC (unless such filing is not permitted under the Exchange Act or by the SEC), so long as the Notes are Outstanding, the annual reports, information, documents and other reports that the Company is required to file with the SEC pursuant to such Section 13(a) or 15(d) or would be so required to file if the Company were so subject. From and after the Effective Date, the Company will also, within 15 days after the date on which the Company was so required to file or would be so required to file if the Company were so subject, transmit by mail to all Holders (as their names and addresses appear in the Note Register), and to the Trustee (or make available on a Company website) copies of any such information, documents and reports (without exhibits) so required to be filed. Notwithstanding the foregoing, if any audited or reviewed financial statements or information required to be included in any such filing are not reasonably available on a timely basis as a result of the Company's accountants not being "independent" (as defined pursuant to the Exchange Act and the rules and regulations of the SEC thereunder), the Company may, in lieu of making such filing or transmitting or making available the information, documents and reports so required to be filed, elect to make a filing on an alternative form or transmit or make available unaudited or unreviewed financial statements or information substantially similar to such required audited or reviewed financial statements or information, *provided that* (a) the Company shall in any event be required to make such filing and so transmit or make available such audited or reviewed financial statements or information no later than the first anniversary of the date on which the same was otherwise required pursuant to the preceding provisions of this Section 405 (such initial date, the "Reporting Date") and (b) if the Company makes such an election and such filing has not been made, or such information, documents and reports have not been transmitted or made available, as the case may be, within 90 days after such Reporting Date, liquidated damages will accrue on the Notes at a rate of 0.50% per annum from the date that is 90 days after such Reporting Date to the earlier of (x) the date on which such filing has been made, or such information, documents and reports have been transmitted or made available, as the case may be, and (y) the first anniversary of such Reporting Date (provided that not more than 0.50% per annum in liquidated damages shall be payable for any period regardless of the number of such

elections by the Company). The Company will be deemed to have satisfied the requirements of this Section 405 if any Parent files and provides reports, documents and information of the types otherwise so required, in each case within the applicable time periods, and the Company is not required to file such reports, documents and information separately under the applicable rules and regulations of the SEC (after giving effect to any exemptive relief) because of the filings by such Parent. From and after the Effective Date, the Company also will comply with the other provisions of TIA § 314(a).

Section 406. Statement as to Default. The Company shall deliver to the Trustee, within 120 days after the end of each fiscal year of the Company ending after January 1, 2012, an Officer's Certificate stating, to the best knowledge of the signer thereof, whether or not any Default shall have occurred during such fiscal year and, if a Default shall have occurred, specifying each such Default and the nature and status thereof of which such signer may have knowledge. From and after the Effective Date, to the extent required by the TIA, each Subsidiary Guarantor shall comply with TIA § 314(a)(4). From and after the Effective Date, the individual signing any certificate given by any Person pursuant to this Section 406 shall be the principal executive, financial or accounting officer of such Person, in compliance with TIA § 314(a)(4).

Section 407. Limitation on Indebtedness.

(a) From and after the Effective Date, the Company will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness; *provided, however*, that the Company or any Restricted Subsidiary may Incur Indebtedness if on the date of the Incurrence of such Indebtedness, after giving effect to the Incurrence thereof, the Consolidated Coverage Ratio would be equal to or greater than 2.00:1.00.

(b) Notwithstanding the foregoing paragraph (a), the Company and its Restricted Subsidiaries may Incur the following Indebtedness:

(i) Indebtedness Incurred pursuant to any Credit Facility (including but not limited to in respect of letters of credit or bankers' acceptances issued or created thereunder) and Indebtedness Incurred other than under any Credit Facility, and (without limiting the foregoing), in each case, any Refinancing Indebtedness in respect thereof, in a maximum principal amount at any time outstanding not exceeding in the aggregate the amount equal to (A) \$2,250.0 million, plus (B) the greater of (x) \$1,600.0 million and (y) an amount equal to (1) the Borrowing Base less (2) the aggregate principal amount of Indebtedness Incurred by Special Purpose Subsidiaries that are Domestic Subsidiaries and then outstanding pursuant to clause (ix) of this paragraph (b), plus (C) in the event of any refinancing of any such Indebtedness, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing;

(ii) Indebtedness (A) of any Restricted Subsidiary to the Company or (B) of

the Company or any Restricted Subsidiary to any Restricted Subsidiary; *provided*, that any subsequent issuance or transfer of any Capital Stock of such Restricted Subsidiary to which such Indebtedness is owed, or other event, that results in such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of such Indebtedness (except to the Company or a Restricted Subsidiary) will be deemed, in each case, an Incurrence of such Indebtedness by the issuer thereof not permitted by this clause (ii);

(iii) Indebtedness represented by the Notes (other than any Additional Notes that are not Exchange Notes), any Indebtedness (other than the Indebtedness described in clause (ii) above) outstanding on the Effective Date (other than any Additional Notes) and any Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (iii) or paragraph (a) above;

(iv) Purchase Money Obligations and Capitalized Lease Obligations, and any Refinancing Indebtedness with respect thereto;

(v) Indebtedness consisting of (w) accommodation guarantees for the benefit of trade creditors of the Company or any of its Restricted Subsidiaries, (x) Guarantees in connection with the construction or improvement of all or any portion of a Public Facility to be used by the Company or any Restricted Subsidiary, (y) Guarantees required (in the good faith determination of the Company) in connection with Vehicle Rental Concession Rights or (z) any Guarantee in respect of any Franchise Vehicle Indebtedness or Franchise Lease Obligation;

(vi) (A) Guarantees by the Company or any Restricted Subsidiary of Indebtedness or any other obligation or liability of the Company or any Restricted Subsidiary (other than any Indebtedness Incurred by the Company or such Restricted Subsidiary, as the case may be, in violation of this [Section 407](#)), or (B) without limiting [Section 413](#), Indebtedness of the Company or any Restricted Subsidiary arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Company or any Restricted Subsidiary (other than any Indebtedness Incurred by the Company or such Restricted Subsidiary, as the case may be, in violation of this [Section 407](#));

(vii) Indebtedness of the Company or any Restricted Subsidiary (A) arising from the honoring of a check, draft or similar instrument of such Person drawn against insufficient funds, provided that such Indebtedness is extinguished within five Business Days of its Incurrence, or (B) consisting of guarantees, indemnities, obligations in respect of earnouts or other purchase price adjustments, or similar obligations, Incurred in connection with the acquisition or disposition of any business, assets or Person;

(viii) Indebtedness of the Company or any Restricted Subsidiary in respect of (A) letters of credit, bankers' acceptances or other similar instruments or obligations

issued, or relating to liabilities or obligations incurred, in the ordinary course of business (including those issued to governmental entities in connection with self-insurance under applicable workers' compensation statutes), or (*B*) completion guarantees, surety, judgment, appeal or performance bonds, or other similar bonds, instruments or obligations, provided, or relating to liabilities or obligations incurred, in the ordinary course of business, or (*C*) Hedging Obligations, entered into for bona fide hedging purposes, or (*D*) Management Guarantees, or (*E*) the financing of insurance premiums in the ordinary course of business, or (*F*) take-or-pay obligations under supply arrangements incurred in the ordinary course of business, or (*G*) netting, overdraft protection and other arrangements arising under standard business terms of any bank at which the Company or any Restricted Subsidiary maintains an overdraft, cash pooling or other similar facility or arrangement or (*H*) Bank Products Obligations;

(ix) Indebtedness (*A*) of a Special Purpose Subsidiary secured by a Lien on all or part of the assets disposed of in, or otherwise Incurred in connection with, a Financing Disposition or (*B*) otherwise Incurred in connection with a Special Purpose Financing; *provided* that (*1*) such Indebtedness is not recourse to the Company or any Restricted Subsidiary that is not a Special Purpose Subsidiary (other than with respect to Special Purpose Financing Undertakings), (*2*) in the event such Indebtedness shall become recourse to the Company or any Restricted Subsidiary that is not a Special Purpose Subsidiary (other than with respect to Special Purpose Financing Undertakings), such Indebtedness will be deemed to be, and must be classified by the Company as, Incurred at such time (or at the time initially Incurred) under one or more of the other provisions of this Section 407 for so long as such Indebtedness shall be so recourse; and (*3*) in the event that at any time thereafter such Indebtedness shall comply with the provisions of the preceding subclause (*1*), the Company may classify such Indebtedness in whole or in part as Incurred under this Section 407(b)(ix);

(x) Indebtedness of (*A*) the Company or any Restricted Subsidiary Incurred to finance or refinance, or otherwise Incurred in connection with, any acquisition of assets (including Capital Stock), business or Person, or any merger or consolidation of any Person with or into the Company or any Restricted Subsidiary, or (*B*) any Person that is acquired by or merged or consolidated with or into the Company or any Restricted Subsidiary (including Indebtedness thereof Incurred in connection with any such acquisition, merger or consolidation), *provided* that on the date of such acquisition, merger or consolidation, after giving effect thereto, either (*1*) the Company could Incur at least \$1.00 of additional Indebtedness pursuant to paragraph (a) above or (*2*) the Consolidated Coverage Ratio of the Company would equal or be greater than the Consolidate Coverage ratio of the Company immediately prior to giving effect thereto; and any Refinancing Indebtedness with respect to any such Indebtedness;

(xi) Indebtedness of the Company or any Restricted Subsidiary in an aggregate principal amount at any time outstanding not exceeding an amount equal to (*A*) the

greater of (x) \$2,900.0 million and (y) an amount equal to (1) the Foreign Borrowing Base less (2) the aggregate principal amount of Indebtedness Incurred by Special Purpose Subsidiaries that are Foreign Subsidiaries and then outstanding pursuant to clause (ix) of this paragraph (b) plus (B) in the event of any refinancing of any Indebtedness Incurred under this clause (xi), the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing;

- (xii) Contribution Indebtedness, and any Refinancing Indebtedness with respect thereto;
- (xiii) Indebtedness issuable upon the conversion or exchange of shares of Disqualified Stock issued in accordance with Section 407(a), and any Refinancing Indebtedness with respect thereto;
- (xiv) Non-Recourse Indebtedness of HERC; and
- (xv) Indebtedness of the Company or any Restricted Subsidiary in an aggregate principal amount at any time outstanding not exceeding an amount equal to 3.25% of Consolidated Tangible Assets.

(c) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this Section 407, (i) any other obligation of the obligor on such Indebtedness (or of any other Person who could have Incurred such Indebtedness under this Section 407) arising under any Guarantee, Lien or letter of credit, bankers' acceptance or other similar instrument or obligation supporting such Indebtedness shall be disregarded to the extent that such Guarantee, Lien or letter of credit, bankers' acceptance or other similar instrument or obligation secures the principal amount of such Indebtedness; (ii) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in paragraph (b) above, the Company, in its sole discretion, shall classify such item of Indebtedness and may include the amount and type of such Indebtedness in one or more of the clauses of paragraph (b) above (including in part under one such clause and in part under another such clause) provided that (if the Company shall so determine) any Indebtedness Incurred pursuant to clause (b)(xv) of this Section 407 shall cease to be deemed Incurred or outstanding for purposes of such clause but shall be deemed Incurred for the purposes of paragraph (a) of this Section 407 from and after the first date on which the Company or any Restricted Subsidiary could have Incurred such Indebtedness under paragraph (a) of this Section 407 without reliance on such clause; (iii) in the event that Indebtedness could be Incurred in part under paragraph (a) of this Section 407, the Company, in its sole discretion, may classify a portion of such Indebtedness as having been Incurred under paragraph (a) of this Section 407 and thereafter the remainder of such Indebtedness as having been Incurred under paragraph (b) of this Section 407; (iv) the amount of Indebtedness issued at a price that is less than the principal amount thereof shall be equal to the amount of the liability in respect thereof determined in accordance with GAAP; and (v) the principal amount of Indebtedness outstanding under any clause of paragraph (b) of this Section 407 shall be determined after giving effect to

the application of proceeds of any such Indebtedness to refinance any such other Indebtedness.

(d) For purposes of determining compliance with any Dollar denominated restriction on the Incurrence of Indebtedness denominated in a foreign currency, the Dollar equivalent principal amount of such Indebtedness Incurred pursuant thereto shall be calculated based on the relevant currency exchange rate in effect on the date that such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving or deferred draw Indebtedness, *provided* that (x) the Dollar equivalent principal amount of any such Indebtedness outstanding on the Effective Date shall be calculated based on the relevant currency exchange rate in effect on the Effective Date, (y) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency (or in a different currency from such Indebtedness so being Incurred), and such refinancing would cause the applicable Dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Dollar denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (i) the outstanding or committed principal amount (whichever is higher) of such Indebtedness being refinanced plus (ii) the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing and (z) the Dollar equivalent principal amount of Indebtedness denominated in a foreign currency and Incurred pursuant to a Senior Credit Facility shall be calculated based on the relevant currency exchange rate in effect on, at the Company's option, (i) the Effective Date, (ii) any date on which any of the respective commitments under such Senior Credit Facility shall be reallocated between or among facilities or subfacilities thereunder, or on which such rate is otherwise calculated for any purpose thereunder, or (iii) the date of such Incurrence. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

Section 408. [Reserved].

Section 409. Limitation on Restricted Payments.

(a) From and after the Effective Date, the Company shall not, and shall not permit any Restricted Subsidiary, directly or indirectly, 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 Company 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 Company 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 Company held by Persons other than the Company 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 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) or (iv) 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"), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment and after giving effect thereto:

- (1) a Default shall have occurred and be continuing (or would result therefrom);
- (2) the Company could not Incur at least an additional \$1.00 of Indebtedness pursuant to Section 407(a); or
- (3) the aggregate amount of such Restricted Payment and all other Restricted Payments (the amount so expended, if other than in cash, to be as determined in good faith by the Company, whose determination shall be conclusive) declared or made subsequent to the Effective Date and then outstanding would exceed, without duplication, the sum of:
 - (A) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) beginning on July 1, 2012 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 Company are available (or, in case such Consolidated Net Income shall be a negative number, 100% of such negative number);
 - (B) the aggregate Net Cash Proceeds and the fair value (as determined in good faith by the Company) of property or assets received (x) by the Company as capital contributions to the Company after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock (other than Disqualified Stock) after the Issue Date (other than Excluded Contributions and Contribution Amounts) or (y) by the Company or any Restricted Subsidiary from the Incurrence by the Company or any Restricted Subsidiary after the Issue Date of Indebtedness that shall have been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock) or Capital Stock of any Parent, plus the amount of any cash and the fair value (as determined in good faith by the Company) of any property or assets, received by the Company or any Restricted Subsidiary upon such conversion or exchange;
 - (C) the aggregate amount equal to the net reduction in Investments in

Unrestricted Subsidiaries resulting from (i) dividends, distributions, interest payments, return of capital, repayments of Investments or other transfers of assets to the Company or any Restricted Subsidiary from any Unrestricted Subsidiary, including dividends or other distributions related to dividends or other distributions made pursuant to clause (x) of the following paragraph (b), or (ii) the redesignation of any Unrestricted Subsidiary as a Restricted Subsidiary (valued in each case as provided in the definition of “Investment”), not to exceed in the case of any such Unrestricted Subsidiary the aggregate amount of Investments (other than Permitted Investments) made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary after the Issue Date;

(D) in the case of any disposition or repayment of any Investment constituting a Restricted Payment (without duplication of any amount deducted in calculating the amount of Investments at any time outstanding included in the amount of Restricted Payments), an amount in the aggregate equal to the lesser of the return of capital, repayment or other proceeds with respect to all such Investments received by the Company or a Restricted Subsidiary and the initial amount of all such Investments constituting Restricted Payments; and

(E) an amount equal to the amount available as of the Issue Date for making Restricted Payments pursuant to clause (a)(3) of Section 409 of the 2010 Senior Indenture.

(b) The provisions of Section 409(a) will not prohibit any of the following (each, a “Permitted Payment”):

(i) any purchase, redemption, repurchase, defeasance or other acquisition or retirement of Capital Stock of the Company 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 Company (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary) or a capital contribution to the Company, in each case other than Excluded Contributions and Contribution Amounts; *provided*, that the Net Cash Proceeds from such issuance, sale or capital contribution shall be excluded in subsequent calculations under Section 409(a)(3)(B);

(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 Company or Refinancing Indebtedness Incurred in compliance with Section 407, (x) from Net Available Cash to the extent permitted by Section 411, (y) following the occurrence of a Change of Control (or other similar event described therein as a “change of control”), but only if the Company shall have complied with Section 415 and, if required, purchased all Notes tendered pursuant to the offer to

repurchase all the Notes required thereby, prior to purchasing or repaying such Subordinated Obligations 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 Section 409(a);

(iv) Investments or other Restricted Payments in an aggregate amount outstanding at any time not to exceed the amount of Excluded Contributions;

(v) loans, advances, dividends or distributions by the Company 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 Company to repurchase or otherwise acquire Capital Stock of any Parent or the Company (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 Company 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) equal to (x) (1) \$20.0 million, plus (2) \$5.0 million multiplied by the number of calendar years that have commenced since September 30, 2010, plus (y) the Net Cash Proceeds received by the Company since the Issue 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), to the extent such Net Cash Proceeds are not included in any calculation under Section 409(a)(3)(B)(x), plus (z) the cash proceeds of key man life insurance policies received by the Company or any Restricted Subsidiary (or by any Parent and contributed to the Company) since the Issue Date to the extent such cash proceeds are not included in any calculation under Section 409(a)(3)(A);

(vi) the payment by the Company of, or loans, advances, dividends or distributions by the Company to any Parent to pay, dividends on the common stock or equity of the Company or any Parent following a public offering of such common stock or equity in an amount not to exceed in any fiscal year 6% of the aggregate gross proceeds received by the Company (whether directly, or indirectly through a contribution to common equity capital) in or from such public offering;

(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 1.0% of Consolidated Tangible Assets;

(viii) loans, advances, dividends or distributions to any Parent or other payments by the Company or any Restricted Subsidiary (A) to satisfy or permit any Parent to satisfy

obligations under the Management Agreements, (*B*) pursuant to the Tax Sharing Agreement, or (*C*) to pay or permit any Parent to pay any Parent Expenses or any Related Taxes;

(ix) payments by the Company, or loans, advances, dividends or distributions by the Company to any Parent to make payments, to holders of Capital Stock of the Company or any Parent in lieu of issuance of fractional shares of such Capital Stock, not to exceed \$5.0 million in the aggregate outstanding at any time;

(x) dividends or other distributions of, or Investments paid for or made with, Capital Stock, Indebtedness or other securities of either (*A*) Unrestricted Subsidiaries or (*B*) HERC;

(xi) any Restricted Payment pursuant to or in connection with the Transactions;

(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 407;

(xiii) Restricted Payments in an aggregate amount outstanding at any time not to exceed the amount of (*A*) the Net Cash Proceeds to the Company or any Restricted Subsidiary of any HERC Offering and/or (*B*) the Net Available Cash to the Company or any Restricted Subsidiary from any HERC Disposition; *provided* that, upon and after giving effect to any such Restricted Payment, no Default or Event of Default shall have occurred and be continuing; and

(xiv) loans, advances, dividends or distributions to any Parent or other payments by the Company or any Restricted Subsidiary to pay or permit any Parent to pay principal, interest and premiums, if any, in respect of Holding's 5.25% Convertible Senior Notes due 2014 in accordance with such notes and the indenture governing such notes;

provided, that (*A*) in the case of clauses (iii), (vi), (vii) and (ix), the net amount of any such Permitted Payment shall be included in subsequent calculations of the amount of Restricted Payments, (*B*) in the case of clause (v), at the time of any calculation of the amount of Restricted Payments, the net amount of Permitted Payments that have then actually been made under clause (v) that is in excess of 50% of the total amount of Permitted Payments then permitted under clause (v) shall be included in such calculation of the amount of Restricted Payments, (*C*) in all cases other than pursuant to clauses (A) and (B) immediately above, the net amount of any such Permitted Payment shall be excluded in subsequent calculations of the amount of Restricted Payments and (*D*) solely with respect to clause (vii), no Default or Event of Default shall have occurred and be continuing at the time of any such Permitted Payment after giving effect thereto.

(c) The Company, in its sole discretion, may classify any Investment or other

Restricted Payment as being made in part under one of the provisions of this Section 409 (or, in the case of any Investment, the clauses of Permitted Investments) and in part under one or more other such provisions (or, as applicable, clauses).

Section 410. Limitation on Restrictions on Distributions from Restricted Subsidiaries. From and after the Effective Date, the Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (*i*) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness or other obligations owed to the Company, (*ii*) make any loans or advances to the Company or (*iii*) transfer any of its property or assets to the Company (*provided* that dividend or liquidation priority between classes of Capital Stock, or subordination of any obligation (including the application of any remedy bars thereto) to any other obligation, will not be deemed to constitute such an encumbrance or restriction), except any encumbrance or restriction:

(1) pursuant to an agreement or instrument in effect at or entered into on the Effective Date, any Credit Facility, this Indenture or the Notes;

(2) pursuant to any agreement or instrument of a Person, or relating to Indebtedness or Capital Stock of a Person, which Person is acquired by or merged or consolidated with or into the Company or any Restricted Subsidiary, or which agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition from or other transaction with such Person, as in effect at the time of such acquisition, merger, consolidation or transaction (except to the extent that such Indebtedness was incurred to finance, or otherwise in connection with, such acquisition, merger, consolidation or transaction); provided that for purposes of this clause (2), if a Person other than the Company is the Successor Company with respect thereto, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed, as the case may be, by the Company or a Restricted Subsidiary, as the case may be, when such Person becomes such Successor Company;

(3) pursuant to an agreement or instrument (a “Refinancing Agreement”) effecting a refinancing of Indebtedness Incurred or outstanding pursuant or relating to, or that otherwise extends, renews, refunds, refinances or replaces, any agreement or instrument referred to in clause (1) or (2) of this Section 410 or this clause (3) (an “Initial Agreement”) or that is, or is contained in, any amendment, supplement or other modification to any Initial Agreement or Refinancing Agreement (an “Amendment”); *provided, however*, that the restrictions contained in any such Refinancing Agreement or Amendment taken as a whole are not materially less favorable to the Holders of the Notes than restrictions contained in the Initial Agreement or Initial Agreements to which such Refinancing Agreement or Amendment relates (as determined in good faith by the Company);

(4) (A) pursuant to any agreement or instrument that restricts in a customary manner the assignment or transfer thereof, or the subletting, assignment or transfer of any property or asset subject thereto, (B) by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by this Indenture, (C) contained in mortgages, pledges or other security agreements to the extent restricting the transfer of the property or assets subject thereto, (D) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary, (E) pursuant to Purchase Money Obligations that impose encumbrances or restrictions with respect to the property or assets so acquired, (F) on cash or other deposits or net worth imposed by customers or suppliers under agreements entered into in the ordinary course of business, (G) pursuant to customary provisions contained in agreements and instruments entered into in the ordinary course of business (including but not limited to leases and joint venture and other similar agreements entered into in the ordinary course of business), (H) that arises or is agreed to in the ordinary course of business and does not detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or such Restricted Subsidiary, (I) pursuant to Hedging Obligations, (J) in connection with or relating to any Vehicle Rental Concession Right or (K) Bank Products Obligations;

(5) with respect to any agreement for the direct or indirect disposition of Capital Stock or property or assets of any Person, imposed with respect to such Person, Capital Stock, property or assets pending the closing of such disposition;

(6) by reason of any applicable law, rule, regulation or order, or required by any regulatory authority having jurisdiction over the Company or any Subsidiary or any of their businesses, including any such law, rule, regulation, order or requirement applicable in connection with such Subsidiary's status (or the status of any Subsidiary of such Subsidiary) as a Captive Insurance Subsidiary; or

(7) pursuant to an agreement or instrument (A) relating to any Indebtedness permitted to be Incurred subsequent to the Effective Date pursuant to Section 407 (i) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders of the Notes than the encumbrances and restrictions contained in the Initial Agreements (as determined in good faith by the Company), or (ii) if such encumbrance or restriction is not materially more disadvantageous to the Holders of the Notes than is customary in comparable financings (as determined in good faith by the Company) and either (x) the Company determines in good faith that such encumbrance or restriction will not materially affect the Company's ability to make principal or interest payments on the Notes or (y) such encumbrance or restriction applies only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness, (B) relating to any sale of receivables by or Indebtedness of

a Foreign Subsidiary, (C) relating to Indebtedness of or a Franchise Financing Disposition by or to or in favor of any Franchisee or Franchise Special Purpose Entity or to any Franchise Lease Obligation or (D) relating to Indebtedness of or a Financing Disposition by or to or in favor of any Special Purpose Entity.

Section 411. Limitation on Sales of Assets and Subsidiary Stock.

(a) From and after the Effective Date, the Company will not, and will not permit any Restricted Subsidiary to, make any Asset Disposition unless

(i) the Company or such Restricted Subsidiary receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at the time of such Asset Disposition at least equal to the fair market value of the shares and assets subject to such Asset Disposition, as such fair market value may be determined (and shall be determined, to the extent such Asset Disposition or any series of related Asset Dispositions involves aggregate consideration in excess of \$25.0 million) in good faith by the Company, whose determination shall be conclusive (including as to the value of all noncash consideration),

(ii) in the case of any Asset Disposition (or series of related Asset Dispositions) having a fair market value of \$25.0 million or more, at least 75% of the consideration therefor (excluding, in the case of an Asset Disposition (or series of related Asset Dispositions), any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, that are not Indebtedness) received by the Company or such Restricted Subsidiary is in the form of cash, and

(iii) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company (or any Restricted Subsidiary, as the case may be) as follows:

(A) *first*, either (x) to the extent the Company elects (or is required by the terms of any Credit Facility Indebtedness, any Senior Indebtedness of the Company or any Subsidiary Guarantor or any Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor), to prepay, repay or purchase any such Indebtedness or (in the case of letters of credit, bankers' acceptances or other similar instruments) cash collateralize any such Indebtedness (in each case other than Indebtedness owed to the Company or a Restricted Subsidiary) within 365 days after the later of the date of such Asset Disposition and the date of receipt of such Net Available Cash, (y) to the extent the Company or such Restricted Subsidiary elects, to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with an amount equal to Net Available Cash received by the Company or another Restricted Subsidiary) within 365 days from the later of the date of such Asset Disposition and the date

of receipt of such Net Available Cash, or, if such investment in Additional Assets is a project authorized by the Board of Directors that will take longer than such 365 days to complete, the period of time necessary to complete such project or (z) in the case of any HERC Offering, to make one or more Restricted Payments pursuant to Section 409(b)(xiii);

(B) *second*, to the extent of the balance of such Net Available Cash after application in accordance with clause (A) above (such balance, the “Excess Proceeds”), to make an offer to purchase Notes and (to the extent the Company or such Restricted Subsidiary elects, or is required by the terms thereof) to purchase, redeem or repay any other Senior Indebtedness of the Company or a Restricted Subsidiary, pursuant and subject to Section 411(b) and Section 411(c) and the agreements governing such other Indebtedness; and

(C) *third*, to the extent of the balance of such Net Available Cash after application in accordance with clauses (A) and (B) above, to fund (to the extent consistent with any other applicable provision of this Indenture) any general corporate purpose (including but not limited to the repurchase, repayment or other acquisition or retirement of any Subordinated Obligations);

provided, however, that in connection with any prepayment, repayment or purchase of Indebtedness pursuant to clause (A)(x) or (B) above, the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased.

Notwithstanding the foregoing provisions of this Section 411, the Company and the Restricted Subsidiaries shall not be required to apply any Net Available Cash or equivalent amount in accordance with this Section 411 except to the extent that the aggregate Net Available Cash from all Asset Dispositions or equivalent amount that is not applied in accordance with this Section 411 exceeds \$50.0 million. If the aggregate principal amount of Notes and/or other Indebtedness of the Company or a Restricted Subsidiary validly tendered and not withdrawn (or otherwise subject to purchase, redemption or repayment) in connection with an offer pursuant to clause (B) above exceeds the Excess Proceeds, the Excess Proceeds will be apportioned between such Notes and such other Indebtedness of the Company or a Restricted Subsidiary, with the portion of the Excess Proceeds payable in respect of such Notes to equal the lesser of (*x*) the Excess Proceeds amount multiplied by a fraction, the numerator of which is the outstanding principal amount of such Notes and the denominator of which is the sum of the outstanding principal amount of the Notes and the outstanding principal amount of the relevant other Indebtedness of the Company or a Restricted Subsidiary, and (*y*) the aggregate principal amount of Notes validly tendered and not withdrawn.

For the purposes of clause (ii) of paragraph (a) above, the following are deemed to be cash: (*1*) Temporary Cash Investments, Investment Grade Securities and Cash Equivalents, (*2*) the assumption of Indebtedness of the Company (other than Disqualified Stock of the Company) or

any Restricted Subsidiary and the release of the Company or such Restricted Subsidiary from all liability on payment of the principal amount of such Indebtedness in connection with such Asset Disposition, (3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of the principal amount of such Indebtedness in connection with such Asset Disposition, (4) securities received by the Company or any Restricted Subsidiary from the transferee that are converted by the Company or such Restricted Subsidiary into cash within 180 days, (5) consideration consisting of Indebtedness of the Company or any Restricted Subsidiary, (6) Additional Assets and (7) any Designated Noncash Consideration received by the Company or any of its Restricted Subsidiaries in an Asset Disposition having an aggregate Fair Market Value, taken together with all other Designated Noncash Consideration received pursuant to this clause, not to exceed an aggregate amount at any time outstanding equal to 1.25% of Consolidated Tangible Assets (with the Fair Market Value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value).

(b) In the event of an Asset Disposition that requires the purchase of Notes pursuant to Section 411(a)(iii)(B), the Company will be required to purchase Notes tendered pursuant to an offer by the Company for the Notes (the “Offer”) at a purchase price of 100% of their principal amount plus accrued and unpaid interest to the date of purchase in accordance with the procedures (including prorating in the event of oversubscription) set forth in Section 411(c). If the aggregate purchase price of the Notes tendered pursuant to the Offer is less than the Net Available Cash allotted to the purchase of Notes, the remaining Net Available Cash will be available to the Company for use in accordance with Section 411(a)(iii)(B) (to repay other Indebtedness of the Company or a Restricted Subsidiary) or Section 411(a)(iii)(C). The Company shall not be required to make an Offer for Notes pursuant to this Section 411 if the Net Available Cash available therefor (after application of the proceeds as provided in Section 411(a)(iii)(A)) is less than \$50.0 million for any particular Asset Disposition (which lesser amounts shall be carried forward for purposes of determining whether an Offer is required with respect to the Net Available Cash from any subsequent Asset Disposition). No Note will be repurchased in part if less than the Minimum Denomination in original principal amount of such Note would be left outstanding.

(c) The Company shall, not later than 45 days after the Company becomes obligated to make an Offer pursuant to this Section 411, mail a notice to each Holder with a copy to the Trustee stating: (1) that an Asset Disposition that requires the purchase of a portion of the Notes has occurred and that such Holder has the right (subject to the prorating described below) to require the Company to purchase a portion of such Holder's Notes at a purchase price in cash equal to 100% of the principal amount thereof, *plus* accrued and unpaid interest, if any, to the date of purchase (subject to Section 307); (2) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); (3) the instructions determined by the Company, consistent with this Section 411, that a Holder must follow in order to have its Notes purchased; and (4) the amount of the Offer. If, upon the expiration of the

period for which the Offer remains open, the aggregate principal amount of Notes surrendered by Holder exceeds the amount of the Offer, the Company shall select the Notes to be purchased on a *pro rata* basis (with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of \$2,000 or integral multiples of \$1,000 in excess thereof shall be purchased).

(d) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this Section 411. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section 411, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 411 by virtue thereof.

Section 412. Limitation on Transactions with Affiliates.

(a) From and after the Effective Date, the Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company (an “Affiliate Transaction”) unless (i) the terms of such Affiliate Transaction are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained at the time in a transaction with a Person who is not such an Affiliate and (ii) if such Affiliate Transaction involves aggregate consideration in excess of \$50.0 million, the terms of such Affiliate Transaction have been approved by a majority of the Disinterested Directors. For purposes of this Section 412(a), any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in this Section 412(a) if (x) such Affiliate Transaction is approved by a majority of the Disinterested Directors or (y) in the event there are no Disinterested Directors, a fairness opinion is provided by a nationally recognized appraisal or investment banking firm with respect to such Affiliate Transaction.

(b) The provisions of Section 412(a) will not apply to:

(i) any Restricted Payment Transaction,

(ii) (1) the entering into, maintaining or performance of any employment or consulting contract, collective bargaining agreement, benefit plan, program or arrangement, related trust agreement or any other similar arrangement for or with any current or former employee, officer or director or consultant of or to the Company, any Restricted Subsidiary or any Parent heretofore or hereafter entered into in the ordinary course of business, including vacation, health, insurance, deferred compensation, severance, retirement, savings or other similar plans, programs or arrangements, (2) payments, compensation, performance of indemnification or contribution obligations, the making or cancellation of loans or any issuance, grant or award of stock, options, other equity-related interests or other securities, to any such employees, officers, directors or

consultants in the ordinary course of business, (3) the payment of reasonable fees to directors of the Company or any of its Subsidiaries or any Parent (as determined in good faith by the Company, such Subsidiary or such Parent), (4) any transaction with an officer or director of the Company or any of its Subsidiaries or any Parent in the ordinary course of business not involving more than \$100,000 in any one case, or (5) Management Advances and payments in respect thereof (or in reimbursement of any expenses referred to in the definition of such term),

(iii) any transaction between or among any of the Company, one or more Restricted Subsidiaries or one or more Special Purpose Entities,

(iv) any transaction arising out of agreements or instruments in existence on the Effective Date (other than any Tax Sharing Agreement or Management Agreement referred to in Section 412(b)(vii)), and any payments made pursuant thereto,

(v) any transaction in the ordinary course of business on terms that are fair to the Company and its Restricted Subsidiaries in the reasonable determination of the board of directors or senior management of the Company, or are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that could be obtained at the time in a transaction with a Person who is not an Affiliate of the Company,

(vi) any transaction in the ordinary course of business, or approved by a majority of the Board of Directors, between the Company or any Restricted Subsidiary and any Affiliate of the Company controlled by the Company that is a Franchisee, a Franchise Special Purpose Entity, a joint venture or similar entity,

(vii) the execution, delivery and performance of any Tax Sharing Agreement and any Management Agreements, including payment to CDR, Carlyle or ML or any of their respective Affiliates of fees of up to \$7.5 million in the aggregate in any fiscal year, and fees in connection with any acquisition, disposition, merger, recapitalization or similar transaction as provided in any such Management Agreement, plus all out-of-pocket expenses incurred by CDR, Carlyle or ML or any such Affiliate in connection with its performance of management consulting, monitoring, financial advisory or other services with respect to the Company and its Restricted Subsidiaries,

(viii) the Transactions, all transactions in connection therewith (including but not limited to the financing thereof), and all fees and expenses paid or payable in connection with the Transactions, and

(ix) any issuance or sale of Capital Stock (other than Disqualified Stock) of the Company or capital contribution to the Company.

Section 413. Limitation on Liens. From and after the Effective Date, the Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create or permit

to exist any Lien (other than Permitted Liens) on any of its property or assets (including Capital Stock of any other Person), whether owned on the date of this Indenture or thereafter acquired, securing any Indebtedness (the “Initial Lien”), unless contemporaneously therewith effective provision is made to secure the Indebtedness due under this Indenture and the Notes or, in respect of Liens on any Restricted Subsidiary's property or assets, any Subsidiary Guarantee of such Restricted Subsidiary, equally and ratably with (or on a senior basis to, in the case of Subordinated Obligations or Guarantor Subordinated Obligations) such obligation for so long as such obligation is so secured by such Initial Lien. Any such Lien thereby created in favor of the Notes or any such Subsidiary Guarantee will be automatically and unconditionally released and discharged upon (*i*) the release and discharge of the Initial Lien to which it relates, (*ii*) in the case of any such Lien in favor of any such Subsidiary Guarantee, upon the termination and discharge of such Subsidiary Guarantee in accordance with the terms of Section 1303 or (*iii*) any sale, exchange or transfer (other than a transfer constituting a transfer of all or substantially all of the assets of the Company that is governed by the provisions of Section 501) to any Person not an Affiliate of the Company of the property or assets secured by such Initial Lien, or of all of the Capital Stock held by the Company or any Restricted Subsidiary in, or all or substantially all the assets of, any Restricted Subsidiary creating such Initial Lien.

Section 414. Future Subsidiary Guarantors. From and after the Effective Date, the Company will cause each Domestic Subsidiary that guarantees payment by the Company of any Indebtedness of the Company under the Senior Credit Facilities to execute and deliver to the Trustee a supplemental indenture or other instrument pursuant to which such Domestic Subsidiary will guarantee payment of the Notes, whereupon such Domestic Subsidiary will become a Subsidiary Guarantor for all purposes under this Indenture. In addition, the Company may cause any Subsidiary that is not a Subsidiary Guarantor so to guarantee payment of the Notes and become a Subsidiary Guarantor.

Section 415. Purchase of Notes Upon a Change of Control.

(a) Upon the occurrence after the Effective Date of a Change of Control, each Holder of Notes will have the right to require the Company to repurchase all or any part of such Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase (subject to Section 307); *provided, however*, that the Company shall not be obligated to repurchase Notes pursuant to this Section 415 in the event that it has exercised its right to redeem all of the Notes as provided in Article X.

(b) In the event that, at the time of such Change of Control, the terms of any Credit Facility Indebtedness constituting Designated Senior Indebtedness restrict or prohibit the repurchase of the Notes pursuant to this Section 415, then prior to the mailing of the notice to Holders provided for in Section 415(c) but in any event not later than 30 days following the date the Company obtains actual knowledge of any Change of Control after the Effective Date (unless the Company has exercised its right to redeem all the Notes as provided in Article X), the Company shall, or shall cause one or more of its Subsidiaries to, (*i*) repay in full all such Credit Facility Indebtedness subject to such terms or offer to repay in full all such Credit Facility

Indebtedness and repay the Credit Facility Indebtedness of each lender who has accepted such offer or (*ii*) obtain the requisite consent under the agreements governing such Credit Facility Indebtedness to permit the repurchase of the Notes as provided for in Section 415(c). The Company shall first comply with the provisions of the immediately preceding sentence before it shall be required to repurchase Notes pursuant to the provisions set forth in this Section 415. The Company's failure to comply with the provisions of this Section 415(b) or Section 415(c) shall constitute an Event of Default described in Section 601(iv) and not in Section 601(ii).

(c) Unless the Company has exercised its right to redeem all the Notes as set forth in Article X, the Company shall, not later than 30 days following the date the Company obtains actual knowledge of any Change of Control having occurred after the Effective Date, mail a notice (a "Change of Control Offer") to each Holder with a copy to the Trustee stating: (1) that a Change of Control has occurred or may occur and that such Holder has, or upon such occurrence will have, the right to require the Company to purchase such Holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant Interest Payment Date); (2) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); (3) the instructions determined by the Company, consistent with this Section 415, that a Holder must follow in order to have its Notes purchased; and (4) if such notice is mailed prior to the occurrence of a Change of Control, that such offer is conditioned on the occurrence of such Change of Control. No Note will be repurchased in part if less than the Minimum Denomination in original principal amount of such Note would be left outstanding.

(d) The Company will not be required to make a Change of Control Offer upon a Change of Control after the Effective Date if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

(e) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this Section 415. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section 415, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 415 by virtue thereof.

Section 416. Termination of Covenants on Achievement of Investment Grade Rating. If on any day following the Issue Date (a) the Notes have Investment Grade Ratings from both Rating Agencies, and (b) no Default has occurred and is continuing under this Indenture, then, beginning on that day (the "Termination Date") and continuing at all times thereafter regardless of any subsequent changes in the rating of the Notes, Sections 407, 409, 410, 411, 412, 414, and 501(a)(iii) will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries. Following the Termination Date, the Board of Directors may not designate any of

its Subsidiaries as Unrestricted Subsidiaries unless such designation would have complied with Section 409 as if such covenant would have been in effect during such period. At any time after the Termination Date, any reference in the definitions of “Permitted Liens” and “Unrestricted Subsidiary” to Section 407 or any provision thereof shall be construed as if such covenant were in effect.

ARTICLE V

SUCCESSORS

Section 501. When the Company May Merge, etc.

- (a) The Company will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:
- (i) the resulting, surviving or transferee Person (the “Successor Company”) will be a Person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Company (if not the Company) will expressly assume all the obligations of the Company under the Notes and this Indenture by executing and delivering to the Trustee a supplemental indenture or one or more other documents or instruments in form reasonably satisfactory to the Trustee;
 - (ii) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Restricted Subsidiary as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), no Default will have occurred and be continuing;
 - (iii) immediately after giving effect to such transaction, either (A) the Company (or, if applicable, the Successor Company with respect thereto) could Incur at least \$1.00 of additional Indebtedness pursuant to Section 407(a), or (B) the Consolidated Coverage Ratio of the Company (or, if applicable, the Successor Company with respect thereto) would equal or exceed the Consolidated Coverage Ratio of the Company immediately prior to giving effect to such transaction;
 - (iv) each Subsidiary Guarantor (other than (x) any Subsidiary Guarantor that will be released from its obligations under its Subsidiary Guarantee in connection with such transaction and (y) any party to any such consolidation or merger) shall have delivered a supplemental indenture or other document or instrument in form reasonably satisfactory to the Trustee, confirming its Subsidiary Guarantee (other than any Subsidiary Guarantee that will be discharged or terminated in connection with such transaction); and
 - (v) the Company will have delivered to the Trustee an Officer's Certificate

and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer complies with the provisions described in this paragraph, *provided* that (x) in giving such opinion such counsel may rely on an Officer's Certificate as to compliance with the foregoing clauses (ii) and (iii) and as to any matters of fact, and (y) no Opinion of Counsel will be required for a consolidation, merger or transfer described in Section 501(b).

Any Indebtedness that becomes an obligation of the Successor Company or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this Section 501, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with Section 407.

(b) Clauses (ii) and (iii) of Section 501(a) will not apply to any transaction in which the Company consolidates or merges with or into or transfers all or substantially all its properties and assets to (x) an Affiliate incorporated or organized for the purpose of reincorporating or reorganizing the Company in another jurisdiction or changing its legal structure to a corporation or other entity or (y) a Restricted Subsidiary of the Company so long as all assets of the Company and the Restricted Subsidiaries immediately prior to such transaction (other than Capital Stock of such Restricted Subsidiary) are owned by such Restricted Subsidiary and its Restricted Subsidiaries immediately after the consummation thereof. Section 501(a) will not apply to (1) any transaction in which any Restricted Subsidiary consolidates with, merges into or transfers all or part of its assets to the Company or (2) any of the Transactions.

(c) For the purpose of this Section 501, the Reorganization Assets (whether individually or in the aggregate) shall not be deemed at any time to constitute all or substantially all of the assets of the Company, and any sale or transfer of all or any part of the Reorganization Assets (whether directly or indirectly, whether by sale or transfer of any such assets, or of any Capital Stock or other interest in any Person holding such assets, or of any combination thereof, and whether in one or more transactions, or otherwise) shall not be deemed at any time to constitute a sale or transfer of all or substantially all of the assets of the Company.

Section 502. Successor Company Substituted. Upon any transaction involving the Company in accordance with Section 501 in which the Company is not the Successor Company, the Successor Company shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture, and thereafter the predecessor Company shall be relieved of all obligations and covenants under this Indenture, except that the predecessor Company in the case of a lease of all or substantially all its assets shall not be released from the obligation to pay the principal of and interest on the Notes.

ARTICLE VI

REMEDIES

Section 601. Events of Default. An “Event of Default” means the occurrence of the following:

- (i) a default in any payment of interest on any Note when due, continued for a period of 30 days;
- (ii) a default in the payment of principal of any Note when due, whether at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration of acceleration or otherwise;
- (iii) the failure by the Company to comply with its obligations under Section 501(a);
- (iv) the failure by the Company to comply for 30 days after the notice specified in the penultimate paragraph of this Section 601 with any of its obligations under Section 415 (other than a failure to purchase the Notes);
- (v) the failure by the Company to comply for 60 days after the notice specified in the penultimate paragraph of this Section 601 with its other agreements contained in the Notes or this Indenture;
- (vi) the failure by any Subsidiary Guarantor to comply for 45 days after the notice specified in the penultimate paragraph of this Section 601 with its obligations under its Subsidiary Guarantee;
- (vii) the failure by the Company or any Restricted Subsidiary to pay any Indebtedness for borrowed money (other than Indebtedness owed to the Company or any Restricted Subsidiary) within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default, if the total amount of such Indebtedness so unpaid or accelerated exceeds \$75.0 million or its foreign currency equivalent; *provided*, that no Default or Event of Default will be deemed to occur with respect to any such Indebtedness that is paid or otherwise acquired or retired (or for which such failure to pay or acceleration is waived or rescinded) within 20 Business Days after such failure to pay or such acceleration;
- (viii) the taking of any of the following actions by the Company or a Significant Subsidiary, or by each of such other Restricted Subsidiaries that are not Significant Subsidiaries but would in the aggregate constitute a Significant Subsidiary if considered as a single Person, pursuant to or within the meaning of any Bankruptcy Law:
 - (A) the commencement of a voluntary case;
 - (B) the consent to the entry of an order for relief against it in an involuntary case;

- (C) the consent to the appointment of a Custodian of it or for any substantial part of its property; or
 - (D) the making of a general assignment for the benefit of its creditors;
- (ix) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:
- (A) is for relief against the Company or any Significant Subsidiary, or against each of such other Restricted Subsidiaries that are not Significant Subsidiaries but would in the aggregate constitute a Significant Subsidiary if considered as a single Person, in an involuntary case;
 - (B) appoints (x) a Custodian of the Company or any Significant Subsidiary or for any substantial part of its property, or (y) a Custodian of each of such other Restricted Subsidiaries that are not Significant Subsidiaries but would in the aggregate constitute a Significant Subsidiary if considered as a single Person, or for any substantial part of their property in the aggregate; or
 - (C) orders the winding up or liquidation of the Company or any Significant Subsidiary, or of each of such other Restricted Subsidiaries that are not Significant Subsidiaries but would in the aggregate constitute a Significant Subsidiary if considered as a single Person;

and the order or decree remains unstayed and in effect for 60 days;

(x) the rendering of any judgment or decree for the payment of money in an amount (net of any insurance or indemnity payments actually received in respect thereof prior to or within 90 days from the entry thereof, or to be received in respect thereof in the event any appeal thereof shall be unsuccessful) in excess of \$75.0 million or its foreign currency equivalent against the Company or a Significant Subsidiary, or jointly and severally against other Restricted Subsidiaries that are not Significant Subsidiaries but would in the aggregate constitute a Significant Subsidiary if considered as a single Person, that is not discharged, or bonded or insured by a third Person, if such judgment or decree remains outstanding for a period of 90 days following such judgment or decree and is not discharged, waived or stayed; or

(xi) the failure of any Subsidiary Guarantee by a Subsidiary Guarantor that is a Significant Subsidiary to be in full force and effect (except as contemplated by the terms thereof or of this Indenture) or the denial or disaffirmation in writing by any Subsidiary Guarantor that is a Significant Subsidiary of its obligations under this Indenture or its Subsidiary Guarantee (other than by reason of the termination of this Indenture or such Subsidiary Guarantee or the release of such Subsidiary Guarantee in accordance with such Subsidiary Guarantee and this Indenture), if such Default continues for 10 days.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

The term “Bankruptcy Law” means Title 11, United States Code, or any similar Federal, state or foreign law for the relief of debtors. The term “Custodian” means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

However, a Default under clause (iv), (v) or (vi) will not constitute an Event of Default until the Trustee or the Holders of at least 30% in principal amount of the Outstanding Notes notify the Company in writing of the Default and the Company does not cure such Default within the time specified in such clause after receipt of such notice. Such notice must specify the Default, demand that it be remedied and state that such notice is a “Notice of Default.” When a Default or an Event of Default is cured, it ceases.

The Company shall deliver to the Trustee, within 30 days after the occurrence thereof, written notice in the form of an Officer's Certificate of any Event of Default under clause (vii) or (x) and any event that with the giving of notice or the lapse of time would become an Event of Default under clause (iv), (v) or (vi), its status and what action the Company is taking or proposes to take with respect thereto.

Section 602. Acceleration of Maturity; Rescission and Annulment. If an Event of Default (other than an Event of Default specified in Section 601(viii) or Section 601(ix) with respect to the Company) occurs and is continuing, unless otherwise specified for Notes of any series in the applicable Notes Supplemental Indenture as contemplated by Section 301, the Trustee by written notice to the Company, or the Holders of at least thirty percent (30%) in principal amount of the Outstanding Notes by written notice to the Company and the Trustee, in either case specifying in such notice the respective Event of Default and that such notice is a “notice of acceleration,” may declare the principal of and accrued but unpaid interest on all the Notes to be due and payable. Upon the effectiveness of such a declaration, such principal and interest will be due and payable immediately.

Notwithstanding the foregoing, if an Event of Default specified in Section 601(viii) or Section 601(ix) with respect to the Company occurs and is continuing, unless otherwise specified for Notes of any series in the applicable Notes Supplemental Indenture as contemplated by Section 301, the principal of and accrued but unpaid interest on all the Outstanding Notes will *ipso facto* become immediately due and payable without any declaration or other act on the part of the Trustee or any Holder. Unless otherwise specified for Notes of any series in the applicable Notes Supplemental Indenture as contemplated by Section 301, the Holders of a majority in principal amount of the Outstanding Notes by notice to the Company and the Trustee may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except non-payment of principal or interest that has become due solely because of such acceleration. No

such rescission shall affect any subsequent Default or impair any right consequent thereto.

Section 603. Other Remedies: Collection Suit by Trustee. If an Event of Default occurs and is continuing, the Trustee may, but is not obligated under this Section 603 to, pursue any available remedy to collect the payment of principal of or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture. If an Event of Default specified in Section 601(i) or 601(ii) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount then due and owing (together with interest on any unpaid interest to the extent lawful) and the amounts provided for in Section 707.

Section 604. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders allowed in any judicial proceedings relative to the Company or any other obligor upon the Notes, its creditors or its property and, unless prohibited by law or applicable regulations, may vote on behalf of the Holders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 707.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 605. Trustee May Enforce Claims Without Possession of Notes. All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Notes in respect of which such judgment has been recovered.

Section 606. Application of Money Collected. Any money collected by the Trustee pursuant to this Article VI shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: To the payment of all amounts due the Trustee under Section 707;

Second: To the payment of the amounts then due and unpaid upon the Notes for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Notes for principal (and premium, if any) and interest, respectively; and

Third: to the Company.

Section 607. Limitation on Suits. Subject to Section 608 hereof, no Holder may pursue any remedy with respect to this Indenture or the Notes unless:

- (i) such Holder has previously given the Trustee written notice that an Event of Default is continuing;
- (ii) Holders of at least 30% in principal amount of the Outstanding Notes have requested the Trustee in writing to pursue the remedy;
- (iii) such Holder or Holders have offered to the Trustee security or indemnity reasonably satisfactory to it against any loss, liability or expense;
- (iv) the Trustee has not complied with the request within 60 days after receipt of the request and the offer of security or indemnity; and
- (v) the Holders of a majority in principal amount of the Outstanding Notes have not given the Trustee a direction inconsistent with the request within such 60 day period.

A Holder may not use this Indenture to affect, disturb or prejudice the rights of another Holder, to obtain a preference or priority over another Holder or to enforce any right under this Indenture except in the manner herein provided and for the equal and ratable benefit of all Holders (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders).

Section 608. Unconditional Right of Holders to Receive Principal and Interest. Notwithstanding any other provision in this Indenture, the Holder of any Note shall have the absolute and unconditional right to receive payment of the principal of, premium (if any) on and all (subject to Section 307) interest on such Note on the respective Stated Maturity or Interest Payment Dates expressed in such Note and to institute suit for the enforcement of any such payment on or after such respective Stated Maturity or Interest Payment Dates, and such right shall not be impaired without the consent of such Holder.

Section 609. Restoration of Rights and Remedies. If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture or any Note and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Company, any other

obligor upon the Notes, the Trustee and the Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 610. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 611. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article VI or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 612. Control by Holders. The Holders of not less than a majority in aggregate principal amount of the Outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee, *provided* that

- (1) such direction shall not be in conflict with any rule of law or with this Indenture, and
- (2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 701, that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability; *provided, however*, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. Prior to taking any action under this Indenture, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action. This Section 612 shall be in lieu of § 316(a)(1)(A) of the TIA, and such § 316(a)(1)(A) of the TIA is hereby expressly excluded from this Indenture and the Notes, as permitted by the TIA.

Section 613. Waiver of Past Defaults. The Holders of not less than a majority in aggregate principal amount of the Outstanding Notes may on behalf of the Holders of all the Notes waive any past Default hereunder and its consequences, except a Default

(1) in the payment of the principal of or interest on any Note (which may only be waived with the consent of each Holder of Notes affected), or

(2) in respect of a covenant or provision hereof that pursuant to the second paragraph of Section 902 cannot be modified or amended without the consent of the Holder of each Outstanding Note affected.

Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. In case of any such waiver, the Company, any other obligor upon the Notes, the Trustee and the Holders shall be restored to their former positions and rights hereunder and under the Notes, respectively. This paragraph of this Section 613 shall be in lieu of § 316(a)(1)(B) of the TIA and such § 316(a)(1)(B) of the TIA is hereby expressly excluded from this Indenture and the Notes, as permitted by the TIA.

Section 614. Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Note by such Holder's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture or the Notes, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant. This Section 614 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Notes, or to any suit instituted by any Holder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Note on or after the respective Stated Maturity or Interest Payment Dates expressed in such Note.

Section 615. Waiver of Stay, Extension or Usury Laws. The Company (to the extent that it may lawfully do so) shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury or other similar law wherever enacted, now or at any time hereafter in force, that would prohibit or forgive the Company from paying all or any portion of the principal of (or premium, if any) or interest on the Notes contemplated herein or in the Notes or that may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VII

THE TRUSTEE

Section 701. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture, but need not verify the contents thereof.

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that (i) this paragraph does not limit the effect of Section 701(a); (ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and (iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 612.

(d) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(e) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 701 and Section 703.

Section 702. Notice of Defaults. If a Default occurs and is continuing and is known to the Trustee, the Trustee must mail within 90 days after it occurs, to all Holders as their names and addresses appear in the Note Register, notice of such Default hereunder known to the Trustee unless such Default shall have been cured or waived; provided, *however*, that, except in the case of a Default in the payment of the principal of, premium, if any, or interest on any Note, the

Trustee shall be protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of such notice is in the interests of the Holders.

Section 703. Certain Rights of Trustee. Subject to the provisions of Section 701:

(1) the Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(2) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order thereof, and any resolution of any Person's board of directors shall be sufficiently evidenced if certified by an Officer of such Person as having been duly adopted and being in full force and effect on the date of such certificate;

(3) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate of the Company;

(4) the Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(5) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(6) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, other evidence of indebtedness or other paper or document;

(7) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(8) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(9) the Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture; and

(10) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

Section 704. Not Responsible for Recitals or Issuance of Notes. The recitals contained herein and in the Notes, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and neither the Trustee nor any Authenticating Agent assumes any responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Notes, except that the Trustee represents that it is duly authorized to execute and deliver this Indenture, authenticate the Notes and perform its obligations hereunder and that the statements made by it in a Statement of Eligibility on Form T-1 supplied to the Company and any other obligor upon the Notes in connection with the registration of any Notes and any Subsidiary Guarantees issued hereunder are and will be true and accurate subject to the qualifications set forth therein. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of the Notes or the proceeds thereof.

Section 705. May Hold Notes. The Trustee, any Authenticating Agent, any Paying Agent, any Note Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Notes and, subject to Section 708 and Section 713, may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Note Registrar or such other agent.

Section 706. Money Held in Trust. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

Section 707. Compensation and Reimbursement. The Company agrees,

(1) to pay to the Trustee from time to time such compensation as the Company and the Trustee shall from time to time agree in writing for all services rendered by the Trustee hereunder (which compensation shall not be limited by any

provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable out-of-pocket expenses incurred by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the Trustee's part, arising out of or in connection with the administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The Trustee shall have a lien prior to the Notes as to all property and funds held by it hereunder for any amount owing it or any predecessor Trustee pursuant to this Section 707, except with respect to funds held in trust for the benefit of the Holders of particular Notes.

When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 601(viii) or Section 601(ix), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable Federal or state bankruptcy, insolvency or other similar law.

The Company need not pay for any settlement made without its consent. The provisions of this Section 707 shall survive the termination of this Indenture and the resignation or removal of the Trustee.

Section 708. Conflicting Interests. If the Trustee has or shall acquire a conflicting interest within the meaning of the TIA, the Trustee shall eliminate such interest, apply to the SEC for permission to continue as Trustee with such conflict or resign, to the extent and in the manner provided by, and subject to the provisions of, the TIA and this Indenture. To the extent permitted by the TIA, the Trustee shall not be deemed to have a conflicting interest by virtue of being a trustee under this Indenture with respect to Original Notes and Additional Notes, or a trustee under any other indenture between the Company and the Trustee.

Section 709. Corporate Trustee Required; Eligibility. There shall at all times be one (and only one) Trustee hereunder. The Trustee shall be a Person that is eligible pursuant to the TIA to act as such and has a combined capital and surplus of at least \$50.0 million. If any such Person publishes reports of condition at least annually, pursuant to law or to the requirements of its supervising or examining authority, then for the purposes of this Section 709 and to the extent permitted by the TIA, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section

709, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 710. Resignation and Removal; Appointment of Successor. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 711.

The Trustee may resign at any time by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 711 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition at the expense of the Company any court of competent jurisdiction for the appointment of a successor Trustee.

The Trustee may be removed at any time by Act of the Holders of a majority in principal amount of the Outstanding Notes, delivered to the Trustee and to the Company.

If at any time:

- (1) the Trustee shall fail to comply with Section 708 after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Note for at least six months, or
- (2) the Trustee shall cease to be eligible under Section 709 and shall fail to resign after written request therefor by the Company or by any such Holder, or
- (3) the Trustee shall become incapable of acting or shall be adjudged bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Company may remove the Trustee, or (B) subject to Section 614, any Holder who has been a bona fide Holder of a Note for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee or Trustees.

If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Company shall promptly appoint a successor Trustee and shall comply with the applicable requirements of Section 711. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Notes delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 711, become the successor Trustee and to that extent

supersede the successor Trustee appointed by the Company. If no successor Trustee shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 711, then, subject to Section 614, any Holder who has been a bona fide Holder of a Note for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

The Company shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee to all Holders in the manner provided in Section 110. Each notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

Section 711. Acceptance of Appointment by Successor. In case of the appointment hereunder of a successor Trustee, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to above.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article VII.

Section 712. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, *provided* such corporation shall be otherwise qualified and eligible under this Article VII, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Notes shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes.

Section 713. Preferential Collection of Claims Against the Company. If and when the Trustee shall be or become a creditor of the Company (or any other obligor upon the Notes), the Trustee shall be subject to the provisions of the TIA regarding the collection of claims against the

Company (or any such other obligor) or realizing on certain property received by it in respect of such claims.

Section 714. Appointment of Authenticating Agent. The Trustee may appoint an Authenticating Agent acceptable to the Company to authenticate the Notes. Any such appointment shall be evidenced by an instrument in writing signed by a Responsible Officer, a copy of which instrument shall be promptly furnished to the Company. Unless limited by the terms of such appointment, an Authenticating Agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication (or execution of a certificate of authentication) by the Trustee includes authentication (or execution of a certificate of authentication) by such Authenticating Agent. An Authenticating Agent has the same rights as any Note Registrar, Paying Agent or agent for service of notices and demands.

ARTICLE VIII

HOLDERS' LISTS AND REPORTS BY

TRUSTEE AND THE COMPANY

Section 801. The Company to Furnish Trustee Names and Addresses of Holders. The Company will furnish or cause to be furnished to the Trustee

(1) semi annually, not more than 10 days after each Regular Record Date, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of such Regular Record Date, and

(2) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

provided, however, that if and to the extent and so long as the Trustee shall be the Note Registrar, no such list need be furnished pursuant to this Section 801.

Section 802. Preservation of Information; Communications to Holders. The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list, if any, furnished to the Trustee as provided in Section 801 and the names and addresses of Holders received by the Trustee in its capacity as Note Registrar; *provided, however,* that if and so long as the Trustee shall be the Note Registrar, the Note Register shall satisfy the requirements relating to such list. None of the Company, any Subsidiary Guarantor or the Trustee or any other Person shall be under any responsibility with regard to the accuracy of such list. The Trustee may destroy any list furnished to it as provided in Section 801 upon receipt of a new list so furnished.

The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Notes, and the corresponding rights and privileges of the

Trustee, shall be as provided by the TIA.

Every Holder of Notes, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee, nor any agent of either of them, shall be held accountable by reason of any disclosure of information as to names and addresses of Holders made pursuant to the TIA.

Section 803. Reports by Trustee. Within 60 days after each July 15, beginning with July 15, 2013, the Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the TIA at the times and in the manner provided pursuant thereto for so long as any Notes remain outstanding. A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee or any applicable listing agent with each stock exchange upon which any Notes are listed, with the SEC and with the Company. The Company will notify the Trustee when any Notes are listed on any stock exchange.

ARTICLE IX

AMENDMENT, SUPPLEMENT OR WAIVER

Section 901. Without Consent of Holders. Without the consent of (or notice to) the Holders of any Notes, the Company, the Trustee and (as applicable) each Subsidiary Guarantor may amend or supplement this Indenture or any Note, for any of the following purposes:

- (1) to cure any ambiguity, mistake, omission, defect or inconsistency,
- (2) to provide for the assumption by a Successor Company of the obligations of the Company or a Subsidiary Guarantor under this Indenture or any Note,
- (3) to provide for uncertificated Notes in addition to or in place of certificated Notes,
- (4) to add Guarantees with respect to the Notes, to secure the Notes, to evidence a successor Trustee, to confirm and evidence the release, termination or discharge of any Guarantee or Lien with respect to or securing the Notes when such release, termination or discharge is provided for under this Indenture or the Notes,
- (5) to add to the covenants of the Company for the benefit of the Holders or to surrender any right or power conferred upon the Company,
- (6) to provide for or confirm the issuance of Initial Notes, Additional Notes or Exchange Notes,
- (7) to conform the text of this Indenture (including any supplemental indenture or other instrument pursuant to which Notes are issued), the Notes (including

any Additional Notes) or any Subsidiary Guarantee to any provision of the “Description of Notes” section of the Offering Memorandum or, with respect to any Additional Notes and any supplemental indenture or other instrument pursuant to which such Additional Notes are issued, to the “Description of Notes” section of the offering memorandum relating to the issuance of such Additional Notes solely to the extent that such “Description of Notes” provides for terms of such Additional Notes that differ from the terms of the Initial Notes, as contemplated by Section 301,

(8) to increase the minimum denomination of the Notes to equal the dollar equivalent of €1,000 rounded up to the nearest \$1,000 (including for the purposes of redemption or repurchase of any Note in part),

(9) to make any change that does not materially adversely affect the rights of any Holder under the Notes or this Indenture, or

(10) to comply with any requirement of the SEC in connection with the qualification of this Indenture under the TIA or otherwise.

Section 902. With Consent of Holders. Subject to Section 608, the Company, the Trustee and (if applicable) each Subsidiary Guarantor may amend or supplement this Indenture or the Notes with the written consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Notes (including consents obtained in connection with a tender offer or exchange offer for Notes), and the Holders of not less than a majority in aggregate principal amount of the Outstanding Notes by written notice to the Trustee (including consents obtained in connection with a tender offer or exchange offer for Notes) may waive any existing Default or Event of Default or compliance by the Company or any Subsidiary Guarantor with any provision of this Indenture, the Notes or any Subsidiary Guarantee; *provided*, that (x) if any such amendment or waiver will only affect one series of Notes (or less than all series of Notes) then Outstanding under the Indenture, then only the consent of the Holders of not less than a majority in principal amount of the Notes of such series then Outstanding (including, in each case, consents obtained in connection with a tender offer or exchange offer for Notes) shall be required and (y) if any such amendment or waiver by its terms will affect a series of Notes in a manner different and materially adverse relative to the manner such amendment or waiver affects other series of Notes, then the consent of the Holders of not less than a majority in principal amount of the Notes of such series then Outstanding (including, in each case, consent obtained in connection with a tender offer or exchange offer for Notes) shall be required.

Notwithstanding the provisions of this Section 902, without the consent of each Holder affected, an amendment or waiver, including a waiver pursuant to Section 613, may not:

- (i) reduce the principal amount of the Notes whose Holders must consent to an amendment or waiver;
- (ii) reduce the rate of or extend the time for payment of interest on any Note;

- (iii) reduce the principal of or extend the Stated Maturity of any Note;
- (iv) reduce the premium payable upon the redemption of any Note or change the date on which any Note may be redeemed as described in Section 6 of the applicable Notes Supplemental Indenture;
- (v) make any Note payable in money other than that stated in such Note;
- (vi) impair the right of any Holder to receive payment of principal of and interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes; or
- (vii) make any change in the amendment or waiver provisions described in this paragraph.

It shall not be necessary for the consent of the Holders under this Section 902 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 902 becomes effective, the Company shall mail to the Holders, with a copy to the Trustee, a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any supplemental indenture or the effectiveness of any such amendment, supplement or waiver.

Section 903. Execution of Amendments, Supplements or Waivers. The Trustee shall sign any amendment, supplement or waiver authorized pursuant to this Article IX if the amendment, supplement or waiver does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing or refusing to sign such amendment, supplement or waiver, the Trustee shall receive, and shall be fully protected in relying upon, an Officer's Certificate and an Opinion of Counsel to the effect that the execution of such amendment, supplement or waiver has been duly authorized, executed and delivered by the Company and that, subject to applicable bankruptcy, insolvency, fraudulent transfer, fraudulent conveyance, reorganization, moratorium and other laws now or hereinafter in effect affecting creditors' rights or remedies generally and to general principles of equity (including standards of materiality, good faith, fair dealing and reasonableness), whether considered in a proceeding at law or at equity, such amendment, supplement or waiver is a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms.

Section 904. Revocation and Effect of Consents. Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of that Note or any Note that evidences all or any part of the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note.

Subject to the following paragraph of this Section 904, any such Holder or subsequent Holder may revoke the consent as to such Holder's Note by written notice to the Trustee or the Company, received by the Trustee or the Company, as the case may be, before the date on which the Trustee receives an Officer's Certificate certifying that the Holders of the requisite principal amount of Notes have consented (and not theretofore revoked such consent) to the amendment, supplement or waiver. The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment, supplement or waiver as set forth in Section 108.

After an amendment, supplement or waiver becomes effective, it shall bind every Holder of Notes, unless it makes a change described in any of clauses (i) through (vii) of the second paragraph of Section 902. In that case, the amendment, supplement or waiver shall bind each Holder of a Note who has consented to it and every subsequent Holder of such Note or any Note that evidences all or any part of the same debt as the consenting Holder's Note.

Section 905. Conformity with TIA. Every amendment or supplemental indenture executed pursuant to this Article shall conform to the requirements of the TIA as then in effect.

Section 906. Notation on or Exchange of Notes. If an amendment, supplement or waiver changes the terms of a Note, the Trustee shall (if required by the Company and in accordance with the specific direction of the Company) request the Holder of the Note to deliver it to the Trustee. The Trustee shall (if required by the Company and in accordance with the specific direction of the Company) place an appropriate notation on the Note about the changed terms and return it to the Holder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms. Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

ARTICLE X

REDEMPTION OF NOTES

Section 1001. Applicability of Article. Notes of or within any series that are redeemable in whole or in part before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified for Notes of any series in the applicable Notes Supplemental Indenture, as contemplated by Section 301) in accordance with this Article X.

Section 1002. Reserved.

Section 1003. Election to Redeem; Notice to Trustee. In case of any redemption at the election of the Company of less than all of the Notes of any series, the Company shall, at least two Business Days (but not more than 60 days) prior to the date on which notice is required to be mailed or caused to be mailed to Holders pursuant to Section 1005, notify the Trustee of such Redemption Date and of the principal amount of Notes to be redeemed.

Section 1004. Selection by Trustee of Notes to Be Redeemed. Unless otherwise specified for Notes of any series in the applicable Notes Supplemental Indenture, as contemplated by Section 301, in the case of any partial redemption, selection of the Notes for redemption will be made by the Trustee not more than 60 days prior to the Redemption Date on a *pro rata* basis, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and appropriate, although no Note of \$2,000 in original principal amount or less will be redeemed in part.

The Trustee shall promptly notify the Company in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount thereof to be redeemed. On and after the Redemption Date, interest will cease to accrue on Notes or portions thereof called for redemption.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Notes shall relate, in the case of any Note redeemed or to be redeemed only in part, to the portion of the principal of such Note that has been or is to be redeemed.

Section 1005. Notice of Redemption. Unless otherwise specified for Notes of any series in the applicable Notes Supplemental Indenture, as contemplated by Section 301, notice of redemption or purchase as provided in Section 1001 shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Notes to be redeemed, at such Holder's address appearing in the Note Register. Each notice of redemption shall identify the Notes to be redeemed (including the CUSIP number).

Any such notice shall state:

- (1) the expected Redemption Date,
- (2) the redemption price (or the formula by which the redemption price will be determined),
- (3) if less than all Outstanding Notes are to be redeemed, the identification (and, in the case of partial redemption, the portion of the respective principal amounts) of the Notes to be redeemed,
- (4) that, on the Redemption Date, the redemption price will become due and payable upon each such Note, and that, unless the Company defaults in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest thereon shall cease to accrue from and after said date, and
- (5) the place where such Notes are to be surrendered for payment of the redemption price.

In addition, if such redemption, purchase or notice is subject to satisfaction of one or more conditions precedent, as permitted by Section 6 of the applicable Notes Supplemental Indenture, such notice shall describe each such condition, and if applicable, shall state that, in the Company's discretion, the Redemption Date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the Redemption Date, or by the Redemption Date as so delayed.

The Company may provide in such notice that payment of the redemption price and the performance of the Company's obligations with respect to such redemption may be performed by another Person.

Unless otherwise specified for Notes of any Series in the applicable Notes Supplemental Indenture, as contemplated by Section 301, notice of such redemption or purchase of Notes to be so redeemed or purchased at the election of the Company shall be given by the Company or, at the Company's request (made to the Trustee at least 40 days (or such shorter period as shall be satisfactory to the Trustee) prior to the Redemption Date), by the Trustee in the name and at the expense of the Company. Any such request will set forth the information to be stated in such notice, as provided by this [Section 1005](#).

The notice if mailed in the manner herein provided shall be conclusively presumed to have been given, whether or not the Holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to the Holder of any Note designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Note.

[Section 1006](#). [Deposit of Redemption Price](#). Unless otherwise specified for Notes of any series in the applicable Notes Supplemental Indenture, as contemplated by [Section 301](#), on or prior to 12:00 p.m., New York City time, on any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, the Company shall segregate and hold in trust as provided in [Section 403](#)) an amount of money sufficient to pay the redemption price of, and any accrued and unpaid interest on, all the Notes or portions thereof which are to be redeemed on that date.

[Section 1007](#). [Notes Payable on Redemption Date](#). Notice of redemption having been given as provided in this [Article X](#) or in the applicable Notes Supplemental Indenture, the Notes so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price specified herein or in the applicable Notes Supplemental Indenture and from and after such date (unless the Company shall default in the payment of the redemption price or the Paying Agent is prohibited from paying the redemption price pursuant to the terms of this Indenture) such Notes shall cease to bear interest. Upon surrender of such Notes for redemption in accordance with such notice, such Notes shall be paid by or on behalf of the Company at the redemption price. Installments of interest whose Interest Payment Date is on or prior to the Redemption Date shall be payable to the Holders of such Notes registered as such on the relevant

Regular Record Dates according to their terms and the provisions of Section 307.

On and after any Redemption Date, if money sufficient to pay the redemption price of and any accrued and unpaid interest on Notes called for redemption shall have been made available in accordance with Section 1006, the Notes (or the portions thereof) called for redemption will cease to accrue interest and the only right of the Holders of such Notes (or portions thereof) will be to receive payment of the redemption price of and, subject to the last sentence of the preceding paragraph, any accrued and unpaid interest on such Notes (or portions thereof) to the Redemption Date. If any Note (or portion thereof) called for redemption shall not be so paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the Redemption Date at the rate borne by the Note (or portion thereof).

Section 1008. Notes Redeemed in Part. Any Note that is to be redeemed only in part shall be surrendered at the Place of Payment (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or its attorney duly authorized in writing) and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Note without service charge, a new Note or Notes, of any authorized denomination as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Note so surrendered.

ARTICLE XI

SATISFACTION AND DISCHARGE

Section 1101. Satisfaction and Discharge of Indenture. This Indenture shall be discharged and shall cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Notes herein expressly provided for), and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(i) either

(a) all Notes theretofore authenticated and delivered (other than (i) Notes that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 306, and (ii) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 403) have been cancelled or delivered to the Trustee for cancellation; or

(b) all such Notes not theretofore cancelled or delivered to the Trustee for cancellation

- (1) have become due and payable, or
- (2) will become due and payable at their Stated Maturity within one year, or
- (3) have been or are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

(ii) the Company has irrevocably deposited or caused to be deposited with the Trustee money, U.S. Government Obligations, or a combination thereof, sufficient (without reinvestment) to pay and discharge the entire Indebtedness on such Notes not theretofore cancelled or delivered to the Trustee for cancellation, for principal (and premium, if any) and interest to the date of such deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or Redemption Date, as the case may be (*provided* that if such redemption is made pursuant to Section 6(d) of the applicable Notes Supplemental Indenture, (x) the amount of money or U.S. Government Obligations or a combination thereof that the Company must irrevocably deposit or cause to be deposited will be determined using an assumed Applicable Premium calculated as of the date of such deposit, as calculated by the Company, and (y) the Company must irrevocably deposit or cause to be deposited additional money in trust on the Redemption Date, as required by Section 1006, as necessary to pay the Applicable Premium as determined on such date);

(iii) the Company has paid or caused to be paid all other sums then payable hereunder by the Company; and

(iv) the Company has delivered to the Trustee an Officer's Certificate of the Company and an Opinion of Counsel, each to the effect that all conditions precedent provided for in this Section 1101 relating to the satisfaction and discharge of this Indenture have been complied with, *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (i), (ii) and (iii)).

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 707 and, if money shall have been deposited with the Trustee pursuant to Section 1101(ii), the obligations of the Trustee under Section 1102 shall survive.

Section 1102. Application of Trust Money. Subject to the provisions of the last paragraph of Section 403, all money and/or U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee pursuant to Section 1101 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment,

either directly or through any Paying Agent as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest on the Notes; but such money need not be segregated from other funds except to the extent required by law.

ARTICLE XII

DEFEASANCE OR COVENANT DEFEASANCE

Section 1201. The Company's Option to Effect Defeasance or Covenant Defeasance. The Company may at its option, at any time, elect to have terminated the obligations of the Company with respect to Outstanding Notes and to have terminated all of the obligations of the Subsidiary Guarantors with respect to the Subsidiary Guarantees, in each case, as set forth in this Article XII, and elect to have either Section 1202 or Section 1203 be applied to all of the Outstanding Notes (the “Defeased Notes”), upon compliance with the conditions set forth below in Section 1204. Either Section 1202 or Section 1203 may be applied to the Defeased Notes to any Redemption Date or the Stated Maturity of the Notes.

Section 1202. Defeasance and Discharge. Upon the Company's exercise under Section 1201 of the option applicable to this Section 1202, the Company shall be deemed to have been released and discharged from its obligations with respect to the Defeased Notes on the date the relevant conditions set forth in Section 1204 below are satisfied (hereinafter, “Defeasance”). For this purpose, such Defeasance means that the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the Defeased Notes, which shall thereafter be deemed to be “Outstanding” only for the purposes of Section 1205 and the other Sections of this Indenture referred to in clauses (a) and (b) below, and the Company and each of the Subsidiary Guarantors shall be deemed to have satisfied all other obligations under such Notes and this Indenture insofar as such Notes are concerned (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following, which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of Defeased Notes to receive, solely from the trust fund described in Section 1204 and as more fully set forth in such Section, payments in respect of the principal of and premium, if any, and interest on such Notes when such payments are due, (b) the Company's obligations with respect to such Defeased Notes under Sections 304, 305, 306, 402 and 403, (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder, including the Trustee's rights under Section 707, and (d) this Article XII. If the Company exercises its option under this Section 1202, payment of the Notes may not be accelerated because of an Event of Default with respect thereto. Subject to compliance with this Article XII, the Company may, at its option and at any time, exercise its option under this Section 1202 notwithstanding the prior exercise of its option under Section 1203 with respect to the Notes.

Section 1203. Covenant Defeasance. Upon the Company's exercise under Section 1201 of the option applicable to this Section 1203, (a) the Company and the Subsidiary Guarantors shall be released from their respective obligations under any covenant or provision contained in Section 405 and Sections 407 through 415 and the provisions of clauses (iii), (iv) and (v) of

Section 501(a) shall not apply, and (b) the occurrence of any event specified in clause (iii) (with respect to clause (iii), (iv) and (v) of Section 501(a)), (iv), (v) (with respect to Section 405 and Sections 407 through 415, inclusive), (vi), (vii), (viii) (with respect to Subsidiaries), (ix) (with respect to Subsidiaries), (x) or (xi) of Section 601 shall be deemed not to be or result in an Event of Default, in each case with respect to the Defeased Notes on and after the date the conditions set forth below are satisfied (hereinafter, “Covenant Defeasance”), and the Notes shall thereafter be deemed not to be “Outstanding” for the purposes of any direction, waiver, consent or declaration or Act of Holders (and the consequences of any thereof) in connection with such covenants or provisions, but shall continue to be deemed “Outstanding” for all other purposes hereunder. For this purpose, such Covenant Defeasance means that, with respect to the Outstanding Notes, the Company and the Subsidiary Guarantors may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant or provision, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or provision or by reason of any reference in any such covenant or provision to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 601, but, except as specified above, the remainder of this Indenture and such Outstanding Notes shall be unaffected thereby.

Section 1204. Conditions to Defeasance or Covenant Defeasance. The following shall be the conditions to application of either Section 1202 or Section 1203 to the Outstanding Notes:

- (1) The Company shall have irrevocably deposited or caused to be deposited with the Trustee, in trust, money or U.S. Government Obligations, or a combination thereof in amounts as will be sufficient (without reinvestment), to pay and discharge the principal of, and premium, if any, and interest on the Defeased Notes to the Stated Maturity or relevant Redemption Date in accordance with the terms of this Indenture and the Notes (*provided* that if such redemption shall be pursuant to Section 6(d) of the applicable Notes Supplemental Indenture, (x) the amount of money or U.S. Government Obligations or a combination thereof that the Company must irrevocably deposit or cause to be deposited will be determined using an assumed Applicable Premium calculated as of the date of such deposit, as calculated by the Company, and (y) the Company must irrevocably deposit or cause to be deposited additional money in trust on the Redemption Date, as required by Section 1006, as necessary to pay the Applicable Premium as determined on such date);
- (2) No Default or Event of Default shall have occurred and be continuing on the date of such deposit;
- (3) Such deposit shall not result in a breach or violation of, or constitute a Default or Event of Default under, this Indenture or any other material agreement or instrument to which the Company is a party or by which it is bound;
- (4) In the case of an election under Section 1202, the Company shall have delivered to the Trustee an Opinion of Counsel from Jenner & Block LLP or other

counsel in the United States to the effect that (x) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (y) since the Issue Date, there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm to the effect that, the Holders of the Outstanding Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such Defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Defeasance had not occurred; *provided* that such Opinion of Counsel need not be delivered if all Notes theretofore authenticated and delivered (other than (i) Notes that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 306, and (ii) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 403) not theretofore delivered to the Trustee for cancellation have become due and payable, will become due and payable at their Stated Maturity within one year, or have been or are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company;

(5) In the case of an election under Section 1203, the Company shall have delivered to the Trustee an Opinion of Counsel from Jenner & Block LLP or other counsel in the United States to the effect that the Holders of the Outstanding Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such Covenant Defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred; and

(6) The Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that all conditions precedent provided for in this Section 1204 relating to either the Defeasance under Section 1202 or the Covenant Defeasance under Section 1203, as the case may be, have been complied with. In rendering such Opinion of Counsel, counsel may rely on an Officer's Certificate as to compliance with the foregoing clauses (1), (2) and (3) of this Section 1204 or as to any matters of fact.

Section 1205. Deposited Money and U.S. Government Obligations to Be Held in Trust; Other Miscellaneous Provisions. Subject to the provisions of the last paragraph of Section 403, all money and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or such other Person that would qualify to act as successor trustee under Article VII, collectively and solely for purposes of this Section 1205, the "Trustee") pursuant to Section 1204 in respect of the Defeased Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the Holders of such Notes of all sums due

and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee and its agents and hold them harmless against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 1204, or the principal, premium, if any, and interest received in respect thereof, other than any such tax, fee or other charge that by law is for the account of the Holders of the Defeased Notes.

Anything in this Article XII to the contrary notwithstanding, the Trustee shall deliver to the Company from time to time, upon Company Request, any money or U.S. Government Obligations held by it as provided in Section 1204 that, in the opinion of a nationally recognized accounting or investment banking firm expressed in a written certification thereof to the Trustee, are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Defeasance or Covenant Defeasance. Subject to Article VII, the Trustee shall not incur any liability to any Person by relying on such opinion.

Section 1206. Reinstatement. If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Section 1202 or 1203, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the obligations of the Company and each of the Subsidiary Guarantors under this Indenture, the Notes and the Subsidiary Guarantees shall be revived and reinstated as though no deposit had occurred pursuant to Section 1202 or 1203, as the case may be, until such time as the Trustee or Paying Agent is permitted to apply all such money and U.S. Government Obligations in accordance with Section 1202 or 1203, as the case may be; *provided, however*, that if the Company or any Subsidiary Guarantor makes any payment of principal, premium, if any, or interest on any Note following the reinstatement of its obligations, the Company or Subsidiary Guarantor, as the case may be, shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money and U.S. Government Obligations held by the Trustee or Paying Agent.

Section 1207. Repayment to the Company. The Trustee shall pay to the Company upon Company Request any money held by it for the payment of principal or interest that remains unclaimed for two years after the Stated Maturity or the Redemption Date, as the case may be. After payment to the Company, Holders entitled to money must look to the Company for payment as general creditors unless an applicable abandoned property law designates another Person and all liability of the Trustee or Paying Agent with respect to such money shall thereupon cease.

ARTICLE XIII

SUBSIDIARY GUARANTEES

Section 1301. Guarantees Generally.

(a) Guarantee of Each Subsidiary Guarantor. From and after the Effective Date, each Subsidiary Guarantor from time to time party hereto, as primary obligor and not merely as surety, will jointly and severally, irrevocably and fully and unconditionally Guarantee, on an unsecured senior basis, the punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all monetary obligations of the Company under this Indenture and the Notes, whether for principal of or interest on the Notes, expenses, indemnification or otherwise (all such obligations guaranteed by such Subsidiary Guarantors being herein called the “Subsidiary Guaranteed Obligations”).

The obligations of each Subsidiary Guarantor will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Subsidiary Guarantor (including but not limited to any Guarantee by it of any Credit Facility Indebtedness), and after giving effect to any collections from or payments made by or on behalf of any other Subsidiary Guarantor in respect of the obligations of such other Subsidiary Guarantor under its Subsidiary Guarantee or pursuant to its contribution obligations under this Indenture, result in the obligations of such Subsidiary Guarantor under the Subsidiary Guarantee not constituting a fraudulent conveyance or fraudulent transfer under applicable law, or being void or unenforceable under any law relating to insolvency of debtors.

(b) Further Agreements of Each Subsidiary Guarantor.

(i) Each Subsidiary Guarantor hereby agrees that (to the fullest extent permitted by law) its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of this Indenture, the Notes or the obligations of the Company or any other Subsidiary Guarantor to the Holders or the Trustee hereunder or thereunder, the absence of any action to enforce the same, any waiver or consent by any Holder with respect to any provisions hereof or thereof, any release of any other Subsidiary Guarantor, the recovery of any judgment against the Company, any action to enforce the same, whether or not a notation concerning its Subsidiary Guarantee is made on any particular Note, or any other circumstance that might otherwise constitute a legal or equitable discharge or defense of a Subsidiary Guarantor.

(ii) Each Subsidiary Guarantor hereby waives (to the fullest extent permitted by law) the benefit of diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that (except as otherwise provided in Section 1303) its Subsidiary Guarantee will not be discharged except by complete performance of the obligations contained in the Notes, this Indenture and this Subsidiary Guarantee. Such Subsidiary Guarantee is a guarantee of payment and not of collection. Each Subsidiary Guarantor further agrees (to the fullest extent permitted by law) that, as between it, on the one hand, and the Holders of Notes and the Trustee, on the other hand, subject to this Article XIII, (1) the maturity of the obligations guaranteed by its Subsidiary Guarantee may be accelerated as and to the extent provided in Article VI for the purposes of such Subsidiary Guarantee,

notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed by such Subsidiary Guarantee, and (2) in the event of any acceleration of such obligations as provided in Article VI, such obligations (whether or not due and payable) shall forthwith become due and payable by such Subsidiary Guarantor in accordance with the terms of this Section 1301 for the purpose of such Subsidiary Guarantee. Neither the Trustee nor any other Person shall have any obligation to enforce or exhaust any rights or remedies or to take any other steps under any security for the Subsidiary Guaranteed Obligations or against the Company or any other Person or any property of the Company or any other Person before the Trustee is entitled to demand payment and performance by any or all Subsidiary Guarantors of their obligations under their respective Subsidiary Guarantees or under this Indenture.

(iii) Until terminated in accordance with Section 1303, each Subsidiary Guarantee shall remain in full force and effect and continue to be effective should any petition be filed by or against the Company for liquidation or reorganization, should the Company become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Company's assets, and shall, to the fullest extent permitted by law, continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Notes are, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee on such Notes, whether as a "voidable preference," "fraudulent transfer" or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Notes shall, to the fullest extent permitted by law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

(c) Each Subsidiary Guarantor that makes a payment or distribution under its Subsidiary Guarantee shall have the right to seek contribution from the Company or any non-paying Subsidiary Guarantor that has also Guaranteed the relevant Subsidiary Guaranteed Obligations in respect of which such payment or distribution is made, so long as the exercise of such right does not impair the rights of the Holders under the Subsidiary Guarantees.

(d) Each Subsidiary Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that its Subsidiary Guarantee, and the waiver set forth in Section 1305, are knowingly made in contemplation of such benefits.

(e) Each Subsidiary Guarantor, pursuant to its Subsidiary Guarantee, also hereby agrees to pay any and all reasonable out-of-pocket expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the Holders in enforcing any rights under its Subsidiary Guarantee.

Section 1302. Continuing Guarantees.

(a) Each Subsidiary Guarantee shall be a continuing Guarantee and shall (*i*) subject to Section 1303, remain in full force and effect until payment in full of the principal amount of all Outstanding Notes (whether by payment at maturity, purchase, redemption, defeasance, retirement or other acquisition) and all other Subsidiary Guaranteed Obligations of the Subsidiary Guarantor then due and owing, (*ii*) be binding upon such Subsidiary Guarantor and (*iii*) inure to the benefit of and be enforceable by the Trustee, the Holders and their permitted successors, transferees and assigns.

(b) The obligations of each Subsidiary Guarantor hereunder shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment which would otherwise have reduced or terminated the obligations of any Subsidiary Guarantor hereunder and under its Subsidiary Guarantee (whether such payment shall have been made by or on behalf of the Company or by or on behalf of a Subsidiary Guarantor) is rescinded or reclaimed from any of the Holders upon the insolvency, bankruptcy, liquidation or reorganization of the Company or any Subsidiary Guarantor or otherwise, all as though such payment had not been made.

Section 1303. Release of Subsidiary Guarantees. Notwithstanding the provisions of Section 1302, Subsidiary Guarantees will be subject to termination and discharge under the circumstances described in this Section 1303. Any Subsidiary Guarantor will automatically and unconditionally be released from all obligations under its Subsidiary Guarantee, and such Subsidiary Guarantee shall thereupon terminate and be discharged and of no further force or effect, (*i*) concurrently with any direct or indirect sale or disposition (by merger or otherwise) of any Subsidiary Guarantor or any interest therein in accordance with the terms of this Indenture (including Section 411 and Section 501) by the Company or a Restricted Subsidiary, following which such Subsidiary Guarantor is no longer a Restricted Subsidiary of the Company, (*ii*) at any time that such Subsidiary Guarantor is released from all of its obligations under all of its Guarantees of payment by the Company of any Indebtedness of the Company under the Senior Credit Facilities and any Refinancing Credit Facility (it being understood that a release subject to contingent reinstatement is still a release, and that if any such Guarantee is so reinstated, such Subsidiary Guarantee shall also be reinstated to the extent that such Subsidiary Guarantor would then be required to provide a Subsidiary Guarantee pursuant to Section 414), (*iii*) upon the merger or consolidation of any Subsidiary Guarantor with and into the Company or another Subsidiary Guarantor that is the surviving Person in such merger or consolidation, or upon the liquidation of such Subsidiary Guarantor following the transfer of all of its assets to the Company or another Subsidiary Guarantor, (*iv*) concurrently with any Subsidiary Guarantor becoming an Unrestricted Subsidiary, (*v*) at any time after the Termination Date, upon the merger or consolidation of any Subsidiary Guarantor with and into another Subsidiary that is not a Subsidiary Guarantor with such non-Subsidiary Guarantor being the surviving Person in such merger or consolidation, or upon liquidation of such Subsidiary Guarantor following the transfer of all of its assets to a non-Guarantor Subsidiary, (*vi*) upon legal or covenant defeasance of the Company's obligations, or satisfaction and discharge of this Indenture, or (*vii*) subject to Section 1302(b), upon payment in full of the aggregate principal amount of all Notes then Outstanding and all other Subsidiary Guaranteed Obligations then due and owing. In addition, the Company

will have the right, upon 30 days' written notice to the Trustee, to cause any Subsidiary Guarantor that has not guaranteed payment by the Company of any Indebtedness of the Company under the Senior Credit Facilities to be unconditionally released from all obligations under its Subsidiary Guarantee, and such Subsidiary Guarantee shall thereupon terminate and be discharged and of no further force or effect.

Upon any such occurrence specified in this Section 1303, the Trustee shall execute any documents reasonably requested by the Company in order to evidence such release, discharge and termination in respect of the applicable Subsidiary Guarantee.

Section 1304. [Reserved].

Section 1305. Waiver of Subrogation. Each Subsidiary Guarantor hereby irrevocably waives any claim or other rights that it may now or hereafter acquire against the Company that arise from the existence, payment, performance or enforcement of the Company's obligations under the Notes and this Indenture or such Subsidiary Guarantor's obligations under its Subsidiary Guarantee and this Indenture, including any right of subrogation, reimbursement, exoneration, indemnification, and any right to participate in any claim or remedy of any Holder of Notes against the Company, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law, until this Indenture is discharged and all of the Notes are discharged and paid in full. If any amount shall be paid to any Subsidiary Guarantor in violation of the preceding sentence and the Notes shall not have been paid in full, such amount shall be deemed to have been paid to such Subsidiary Guarantor for the benefit of, and held in trust for the benefit of, the Holders of the Notes, and shall forthwith be paid to the Trustee for the benefit of such Holders to be credited and applied upon the Notes, whether matured or unmatured, in accordance with the terms of this Indenture.

Section 1306. Notation Not Required. Neither the Company nor any Subsidiary Guarantor shall be required to make a notation on the Notes to reflect any Subsidiary Guarantee or any release, termination or discharge thereof.

Section 1307. Successors and Assigns of Subsidiary Guarantors. All covenants and agreements in this Indenture by each Subsidiary Guarantor shall bind its respective successors and assigns, whether so expressed or not.

Section 1308. Execution and Delivery of Subsidiary Guarantees. The Company shall cause each Restricted Subsidiary that is required to become a Subsidiary Guarantor pursuant to Section 414, and each Subsidiary of the Company that the Company causes to become a Subsidiary Guarantor pursuant to Section 414, to promptly execute and deliver to the Trustee a supplemental indenture substantially in the form set forth in Exhibit E to this Indenture, or otherwise in form and substance reasonably satisfactory to the Trustee, evidencing its Subsidiary Guarantee on substantially the terms set forth in this Article XIII. Concurrently therewith, the Company shall deliver to the Trustee an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee to the effect that such supplemental indenture has been duly

authorized, executed and delivered by such Restricted Subsidiary and that, subject to applicable bankruptcy, insolvency, fraudulent transfer, fraudulent conveyance, reorganization, moratorium and other laws now or hereafter in effect affecting creditors' rights or remedies generally and to general principles of equity (including standards of materiality, good faith, fair dealing and reasonableness), whether considered in a proceeding at law or at equity, such supplemental indenture is a valid and binding agreement of such Restricted Subsidiary, enforceable against such Restricted Subsidiary in accordance with its terms.

Section 1309. Notices. Notice to any Subsidiary Guarantor shall be sufficient if addressed to such Subsidiary Guarantor care of the Company at the address, place and manner provided in Section 109.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the date first written above.

HDTFS, INC.

By: /s/ R. Scott Massengill

Name: R. Scott Massengill

Title: President

WELLS FARGO BANK
NATIONAL ASSOCIATION, as Trustee

By: /s/ Martin Reed

Name: Martin Reed

Title: Vice President

Form of Initial Note¹
(FACE OF NOTE)

HDTFS, INC. ²
[]% Senior Notes due []

CUSIP No. []³

No. _____ \$ _____

HDTFS, Inc.⁴, a corporation duly organized and existing under the laws of the State of Delaware (and its successors and assigns, the “Company”), promises to pay to _____, or its registered assigns, the principal sum of \$ _____ ([] United States Dollars) [(or such lesser or greater amount as shall be outstanding hereunder from time to time in accordance with Sections 312 and 313 of the Indenture referred to on the reverse hereof)]⁵ (the “Principal Amount”) on [], [].

The Company promises to pay interest semi-annually in arrears on [] and [] in each year, commencing [], at the rate of []% per annum (subject to adjustment as provided below), until the Principal Amount is paid or made available for payment. [Interest on this Note will accrue from the most recent date to which interest on this Note or any of its Predecessor Notes has been paid or duly provided for or, if no interest has been paid, from the Issue Date.]⁶ [Interest on this Note will accrue (or will be deemed to have accrued) from the most recent date to which interest on this Note or any of its Predecessor Notes has been paid or duly provided for or, if no such interest has been paid, from _____, ____⁷.]⁸

¹ Insert any applicable legends from Article II.

² Replace with “THE HERTZ CORPORATION” from and after the Effective Date.

³ Insert applicable CUSIP.

⁴ Replace with “The Hertz Corporation” from and after the Effective Date.

⁵ Include only if the Note is issued in global form.

⁶ Include only for Original Notes.

⁷ Insert applicable date.

⁸ Include only for Additional Notes.

Interest on the Notes shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on the Regular Record Date for such interest, which shall be the [] or [] (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Notes not more than 15 days nor less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

[The Holder of this Note is entitled to the benefits of the Exchange and Registration Rights Agreement, dated as of [], among the Company, the Subsidiary Guarantors named therein and the initial purchasers named therein (the “Registration Rights Agreement”) until (i) this Note has been exchanged for an Exchange Security (as defined in the Registration Rights Agreement) in an Exchange Offer (as defined in the Registration Rights Agreement); (ii) a Shelf Registration Statement (as defined in the Registration Rights Agreement) registering this Note under the Securities Act has been declared or becomes effective and this Note has been sold or otherwise transferred by the holder thereof pursuant to and in a manner contemplated by such effective Shelf Registration Statement; (iii) this Note is sold pursuant to Rule 144 (as defined in the Registration Rights Agreement) under circumstances in which any legend borne by this Note relating to restrictions on transferability thereof, under the Securities Act or otherwise, is removed or deemed removed by the Company or pursuant to the Indenture referred to on the reverse hereof; (iv) on or following the earliest date that is no less than 545 days after the date of issuance of this Note and on which this Note would be saleable (if it were held by a non-affiliate of the Company) pursuant to Rule 144 without restrictions on volume or manner of sale; or (v) this Note shall cease to be outstanding. From and including the date on which a Registration Default (as defined below) shall occur to but excluding the date on which such Registration Default has been cured, additional interest will accrue on this Note until such time as all Registration Defaults have been cured at the rate of (a) prior to the 91st day of such period (for so long as such period is continuing), 0.25% per annum and (b) thereafter (so long as such period is continuing), 0.50% per annum. Any such additional interest shall not exceed such respective rates for such respective periods, and shall not in any event exceed 0.50% per annum in the aggregate, regardless of the number of Registration Defaults that shall have occurred and be continuing. Any such additional interest shall be paid in the same manner and on the same dates as interest payments in respect of this Note. Immediately following the cure of all Registration Defaults, the accrual of such additional interest will cease. A Registration Default under clause (iii) or (iv) below will be deemed cured upon consummation of the Exchange Offer in the case of a Shelf Registration Statement required to be filed due to a failure to consummate the Exchange

Offer within the required time period. For purposes of the foregoing, each of the following events, as more particularly defined in the Registration Rights Agreement, is a “Registration Default”: (i) the Exchange Registration Statement (as defined in the Registration Rights Agreement) has not become effective or been declared effective by the SEC on or before 365 days following the date of the Registration Rights Agreement; (ii) the Exchange Offer has not been consummated within 395 days after the date of the Registration Rights Agreement; (iii) if a Shelf Registration Statement required by the Registration Rights Agreement is not declared effective by the SEC within 365 days following the date on which the obligation to file the Shelf Registration Statement arises or (iv) if any Shelf Registration Statement required by the Registration Rights Agreement is filed and declared effective, and during the period the Company is required to use its commercially reasonable efforts to cause the Shelf Registration Statement to remain effective, (1) the Company shall have suspended the Shelf Registration Statement for more than 60 days in the aggregate in any consecutive twelve-month period and be continuing to suspend the availability of the Shelf Registration Statement, or (2) the Shelf Registration Statement shall cease to be effective (other than by action of the Company) without being replaced within 90 days by a Shelf Registration Statement that is filed and declared effective.]⁹

Payment of the principal of (and premium, if any) and interest on this Note will be made at the office of the applicable Paying Agent, or such other office or agency of the Company maintained for that purpose; *provided, however*, that at the option of the Company payment of interest may be made by wire transfer of immediately available funds to the account designated to the Company by the Person entitled thereto or by check mailed to the address of the Person entitled thereto as such address shall appear in the Note Register.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

⁹ Include only for Additional Notes if applicable. For an Additional Note, revise as appropriate to reflect provision, if any, as may be agreed by the Company with respect to additional interest on such Additional Note.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

HDTFS, INC.¹⁰

By: _____
Name:
Title:

¹⁰ Replace with “THE HERTZ CORPORATION” from and after the Effective Date.

This is one of the Notes referred to in the within mentioned Indenture.

WELLS FARGO BANK,
NATIONAL ASSOCIATION
As Trustee

By _____
Authorized Signatory

Dated:

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(REVERSE OF NOTE)

This Note is one of the duly authorized issue of []% Senior Notes due [] of the Company (herein called the “Notes”), issued under an Indenture, dated as of October 16, 2012 (herein called the “Indenture,” which term shall have the meaning assigned to it in such instrument), [between] [among] the Company, as issuer, [the Subsidiary Guarantors from time to time parties thereto,]¹¹ and Wells Fargo Bank, National Association, as Trustee (herein called the “Trustee,” which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, any other obligor upon this Note, the Trustee and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered. The terms of the Notes include those stated in the Indenture and those made a part of the Indenture by reference to the Trust Indenture Act of 1939, as amended, as in effect from time to time (the “TIA”). The Notes are subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of such terms. Additional Notes may be issued from time to time in one or more series under the Indenture and (except as provided in Section 902 of the Indenture) will vote (or consent) as a single class with the Notes and otherwise be treated as Notes for purposes of the Indenture.

All terms used in this Note that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

This Note may hereafter be entitled to certain senior Subsidiary Guarantees made for the benefit of the Holders. Reference is made to Article XIII of the Indenture for terms relating to such Subsidiary Guarantees, including the release, termination and discharge thereof. Neither the Company nor any Subsidiary Guarantor shall be required to make any notation on this Note to reflect any Subsidiary Guarantee or any such release, termination or discharge.

The Notes will be redeemable, at the Company's option, in whole or in part, as provided in the Indenture and the [[] Supplemental Indenture, dated as of [], 20[], [between] [among] the Company[, the Subsidiary Guarantors party thereto] and the Trustee].¹²

The Indenture provides (as and to the extent set forth therein) that, upon the occurrence after the Effective Date of a Change of Control, each Holder will have the right to require that the Company repurchase all or any part of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof *plus* accrued and unpaid interest, if any, to the date of such repurchase (subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date); *provided, however*, that the Company shall not be obligated to repurchase Notes in the event it has exercised its right to redeem all the Notes as described above.

¹¹ Revise to reflect appropriate parties.

¹² Revise to reflect appropriate parties.

The Notes will not be entitled to the benefit of a sinking fund.

The Indenture contains provisions for defeasance at any time of the entire Indebtedness of this Note or certain restrictive covenants and certain Events of Default with respect to this Note, in each case upon compliance with certain conditions set forth in the Indenture.

[If an Event of Default with respect to the Notes shall occur and be continuing, the principal of and accrued but unpaid interest on the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.] ¹³

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Notes to be effected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Outstanding Notes (as such terms are defined in the Indenture). The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Outstanding Notes (as such terms are defined in the Indenture), on behalf of the Holders of all Notes, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

As provided in and subject to the provisions of the Indenture, the Holder of this Note shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Notes, the Holders of not less than 30% in principal amount of the Outstanding Notes (as such terms are defined in the Indenture) shall have made written request to the Trustee to pursue such remedy in respect of such Event of Default as Trustee and offered the Trustee security or indemnity reasonably satisfactory to it against any loss, liability or expense, and the Trustee shall not have received from the Holders of a majority in principal amount of Outstanding Notes (as such terms are defined in the Indenture) a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of security or indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Note for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

¹³ Include unless otherwise provided in the Notes Supplemental Indenture establishing the applicable series of Notes.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable in the Note Register, upon surrender of this Note for registration of transfer at the office or agency of the Company in a Place of Payment, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Note Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Notes of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes are issuable only in fully registered form without coupons in minimum denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Notes are exchangeable for a like aggregate principal amount of Notes of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Company, any other obligor in respect of this Note, the Trustee and any agent of the Company, such other obligor or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and none of the Company, any other obligor upon this Note, the Trustee nor any such agent shall be affected by notice to the contrary.

No director, officer, employee, incorporator or stockholder, as such, of the Company, any Subsidiary Guarantor or any Subsidiary of any thereof shall have any liability for any obligation of the Company, or any Subsidiary Guarantor under the Indenture, the Notes or any Subsidiary Guarantee, or for any claim based on, in respect of, or by reason of, any such obligation or its creation. Each Holder, by accepting this Note, hereby waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

THE INDENTURE AND THE NOTES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THE TRUSTEE, THE COMPANY, ANY OTHER OBLIGOR IN RESPECT OF THE NOTES AND (BY THEIR ACCEPTANCE OF THE NOTES) THE HOLDERS, AGREE TO SUBMIT TO THE JURISDICTION OF ANY UNITED STATES FEDERAL OR STATE COURT LOCATED IN THE BOROUGH OF MANHATTAN, IN THE CITY OF NEW YORK IN ANY

ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE INDENTURE, THE NOTES OR THE SUBSIDIARY GUARANTEES.

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[FORM OF CERTIFICATE OF TRANSFER]

FOR VALUE RECEIVED the undersigned holder hereby sell(s), assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

(Please print or typewrite name and address including zip code of assignee)

the within Note and all rights thereunder, hereby irrevocably constituting and appointing

attorney to transfer such Note on the books of the Company with full power of substitution in the premises.

Check One

(a) this Note is being transferred in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder.

or

(b) this Note is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If neither of the foregoing boxes is checked, the Trustee or other Note Registrar shall not be obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 313 of the Indenture shall have been satisfied.

Date:

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

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Signature Guarantee:

Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act of 1933, as amended, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____

NOTICE: To be executed by an executive officer

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OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have this Note purchased by the Company pursuant to Section 411 or 415 of the Indenture, check the box: [].

If you wish to have a portion of this Note purchased by the Company pursuant to Section 411 or 415 of the Indenture, state the amount (in principal amount) below:

\$

Date:

Your Signature:

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee:

Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

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SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE

The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decreases in Principal Amount of this Global Note	Amount of increases in Principal Amount of this Global Note	Principal amount of this Global Note following such decreases or increases	Signature of authorized signatory of Trustee or Notes Custodian
------------------	---	---	--	---

Form of Exchange Note¹⁴
(FACE OF NOTE)

THE HERTZ CORPORATION

[]% Senior Notes due []

CUSIP No. []¹⁵

No. _____ \$ _____

The Hertz Corporation, a corporation duly organized and existing under the laws of the State of Delaware (and its successors and assigns, the “Company”), promises to pay to _____, or its registered assigns, the principal sum of \$ _____ ([] United States Dollars) [(or such lesser or greater amount as shall be outstanding hereunder from time to time in accordance with Sections 3.12 and 3.13 of the Indenture referred to on the reverse hereof)]¹⁶ (the “Principal Amount”) on [].

The Company promises to pay interest semi annually in arrears on [] and [] in each year, commencing [], at the rate of []% per annum, except that interest accrued on this Note for periods prior to the date on which the Initial Note was surrendered in exchange for this Note will accrue at the rate or rates borne by such Initial Note from time to time during such periods, until the Principal Amount is paid or made available for payment. [Interest on this Note will accrue from the most recent date to which interest on this Note or any of its Predecessor Notes has been paid or duly provided for or, if no interest has been paid, from the Issue Date.]¹⁷ [Interest on this Note will accrue (or will be deemed to have accrued) from the most recent date to which interest on this Note or any of its Predecessor Notes has been paid or duly provided for or, if no such interest has been paid, from _____, ____¹⁸.]¹⁹

Interest on the Notes shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on the Regular Record

14 Insert any applicable legends from Article II.

15 Insert applicable CUSIP.

16 Include only if the Note is issued in global form.

17 Include only for Original Notes.

18 Insert applicable date.

19 Include only for Exchange Notes issued in exchange for Additional Notes.

Date for such interest, which shall be the [] or [] (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Notes not more than 15 days nor less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of (and premium, if any) and interest on this Note will be made at the office of the applicable Paying Agent, or such other office or agency of the Company maintained for that purpose; *provided, however*, that at the option of the Company payment of interest may be made by wire transfer of immediately available funds to the account designated to the Company by the Person entitled thereto or by check mailed to the address of the Person entitled thereto as such address shall appear in the Note Register.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

THE HERTZ CORPORATION

By: _____

Name:

Title:

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This is one of the Notes referred to in the within mentioned Indenture.

WELLS FARGO BANK,
NATIONAL ASSOCIATION As Trustee

By: _____
Authorized Signatory

Dated:

B-4

(REVERSE OF NOTE)

This Note is one of the duly authorized issue of []% Senior Notes due [] of the Company (herein called the “Notes”), issued under an Indenture, dated as of October 16, 2012 (herein called the “Indenture,” which term shall have the meaning assigned to it in such instrument), among the Company, as issuer, the Subsidiary Guarantors from time to time parties thereto, and Wells Fargo Bank, National Association, as Trustee (herein called the “Trustee,” which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, any other obligor upon this Note, the Trustee and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered. The terms of the Notes include those stated in the Indenture and those made a part of the Indenture by reference to the Trust Indenture Act of 1939, as amended, as in effect from time to time (the “TIA”). The Notes are subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of such terms. Additional Notes may be issued from time to time in one or more series under the Indenture and (except as provided in Section 902 of the Indenture) will vote (or consent) as a single class with the Notes and otherwise be treated as Notes for purposes of the Indenture.

All terms used in this Note that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

This Note may be entitled to certain senior Subsidiary Guarantees made for the benefit of the Holders. Reference is made to Article XIII of the Indenture for terms relating to such Subsidiary Guarantees, including the release, termination and discharge thereof. Neither the Company nor any Subsidiary Guarantor shall be required to make any notation on this Note to reflect any Subsidiary Guarantee or any such release, termination or discharge.

The Notes will be redeemable, at the Company's option, in whole or in part, as provided in the Indenture and the [[] Supplemental Indenture, dated as of [], 20[], [between] [among] the Company[, the Subsidiary Guarantors party thereto] and the Trustee].²⁰

The Indenture provides (as and to the extent set forth therein) that, upon the occurrence after the Effective Date of a Change of Control, each Holder will have the right to require that the Company repurchase all or any part of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof *plus* accrued and unpaid interest, if any, to the date of such repurchase (subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date); *provided, however*, that the Company shall not be obligated to repurchase Notes in the event it has exercised its right to redeem all the Notes as described above.

20 Revise to reflect appropriate parties. _____

The Notes will not be entitled to the benefit of a sinking fund.

The Indenture contains provisions for defeasance at any time of the entire Indebtedness of this Note or certain restrictive covenants and certain Events of Default with respect to this Note, in each case upon compliance with certain conditions set forth in the Indenture.

[If an Event of Default with respect to the Notes shall occur and be continuing, the principal of and accrued but unpaid interest on the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.] ²¹

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Notes to be effected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Outstanding Notes (as such terms are defined in the Indenture). The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Outstanding Notes (as such terms are defined in the Indenture), on behalf of the Holders of all Notes, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

As provided in and subject to the provisions of the Indenture, the Holder of this Note shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Notes, the Holders of not less than 30% in principal amount of the Outstanding Notes (as such terms are defined in the Indenture) shall have made written request to the Trustee to pursue such remedy in respect of such Event of Default as Trustee and offered the Trustee security or indemnity reasonably satisfactory to it against any loss, liability or expense, and the Trustee shall not have received from the Holders of a majority in principal amount of Outstanding Notes (as such terms are defined in the Indenture) a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of security or indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Note for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

²¹ Include unless otherwise provided in the Notes Supplemental Indenture establishing the applicable series of Notes.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable in the Note Register, upon surrender of this Note for registration of transfer at the office or agency of the Company in a Place of Payment, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Note Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Notes of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes are issuable only in fully registered form without coupons in minimum denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Notes are exchangeable for a like aggregate principal amount of Notes of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Company, any other obligor in respect of this Note, the Trustee and any agent of the Company, such other obligor or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and none of the Company, any other obligor upon this Note, the Trustee nor any such agent shall be affected by notice to the contrary.

No director, officer, employee, incorporator or stockholder, as such, of the Company, any Subsidiary Guarantor or any Subsidiary of any thereof shall have any liability for any obligation of the Company, or any Subsidiary Guarantor under the Indenture, the Notes or any Subsidiary Guarantee, or for any claim based on, in respect of, or by reason of, any such obligation or its creation. Each Holder, by accepting this Note, hereby waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

THE INDENTURE AND THE NOTES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THE TRUSTEE, THE COMPANY, ANY OTHER OBLIGOR IN RESPECT OF THE NOTES AND (BY THEIR ACCEPTANCE OF THE NOTES) THE HOLDERS, AGREE TO SUBMIT TO THE JURISDICTION OF ANY UNITED STATES FEDERAL OR STATE COURT LOCATED IN THE BOROUGH OF MANHATTAN, IN THE CITY OF NEW YORK IN ANY

ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE INDENTURE, THE NOTES OR THE SUBSIDIARY GUARANTEES.

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FORM OF CERTIFICATE OF TRANSFER]

FOR VALUE RECEIVED the undersigned holder hereby sell(s), assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

(Please print or typewrite name and address including zip code of assignee)

the within Note and all rights thereunder, hereby irrevocably constituting and appointing

attorney to transfer such Note on the books of the Company with full power of substitution in the premises.

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

Signature Guarantee:

Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

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OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have this Note purchased by the Company pursuant to Section 411 or 415 of the Indenture, check the box: [].

If you wish to have a portion of this Note purchased by the Company pursuant to Section 411 or 415 of the Indenture, state the amount (in principal amount) below:

\$

Date:

Your Signature:

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee:

Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

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SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE

The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decreases in Principal Amount of this Global Note	Amount of increases in Principal Amount of this Global Note	Principal amount of this Global Note following such decreases or increases	Signature of authorized signatory of Trustee or Notes Custodian
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Form of Certificate of Beneficial Ownership

On or after [_____], 20[]

WELLS FARGO BANK, NATIONAL ASSOCIATION
 Wells Fargo Bank, National Association,
 as Trustee and Note Registrar - DAPS Reorg
 MAC N9303-121
 608 2nd Avenue South
 Minneapolis, MN 55479
 Telephone No.: (877) 872-4605
 Fax No.: (866) 969-1290
 Email: DAPSReorg@wellsfargo.com

Re: HDTFS, Inc.²² (the "Company")
 []% Senior Notes due 20[] (the "Notes")

Ladies and Gentlemen:

This letter relates to \$ _____ principal amount of Notes represented by the offshore [temporary] global note certificate (the "[Temporary] Regulation S Global Note"). Pursuant to Section 313(3) of the Indenture dated as of October 16, 2012 relating to the Notes (the "Indenture"), we hereby certify that (1) we are the beneficial owner of such principal amount of Notes represented by the [Temporary] Regulation S Global Note and (2) we are either (i) a Non-U.S. Person to whom the Notes could be transferred in accordance with Rule 903 or 904 of Regulation S ("Regulation S") promulgated under the Securities Act of 1933, as amended (the "Act") or (ii) a U.S. Person who purchased securities in a transaction that did not require registration under the Act.

22 Replace with "The Hertz Corporation" from and after the Effective Date.

You, the Company and counsel for the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

[Name of Holder]

By: _____
Authorized Signature

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Form of Regulation S CertificateRegulation S Certificate

WELLS FARGO BANK, NATIONAL ASSOCIATION

Wells Fargo Bank, National Association,
as Trustee and Note Registrar - DAPS Reorg
MAC N9303-121
608 2nd Avenue South
Minneapolis, MN 55479
Telephone No.: (877) 872-4605
Fax No.: (866) 969-1290

Email: DAPSReorg@wellsfargo.com

Re: HDTFS, Inc.²³ (the “Company”)
[]% Senior Notes due 20[] (the “Notes”)

Ladies and Gentlemen:

In connection with our proposed sale of \$_____ aggregate principal amount of Notes, we confirm that such sale has been effected pursuant to and in accordance with Regulation S (“Regulation S”) under the Securities Act of 1933, as amended (the “Securities Act”), and accordingly, we hereby certify as follows:

1. The offer of the Notes was not made to a person in the United States (unless such person or the account held by it for which it is acting is excluded from the definition of “U.S. person” pursuant to Rule 902(k) of Regulation S under the circumstances described in Rule 902(h)(3) of Regulation S) or specifically targeted at an identifiable group of U.S. citizens abroad.
2. Either (a) at the time the buy order was originated, the buyer was outside the United States or we and any person acting on our behalf reasonably believed that the buyer was outside the United States or (b) the transaction was executed in, on or through the facilities of a designated offshore securities market, and neither we nor any person acting on our behalf knows that the transaction was pre-arranged with a buyer in the United States.
3. No directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(a)(2) or Rule 904(a)(2) of Regulation S, as applicable.
4. The proposed transfer of Notes is not part of a plan or scheme to evade the registration requirements of the Securities Act.

23 Replace with “The Hertz Corporation” from and after the Effective Date.

5. If we are a dealer or a person receiving a selling concession or other fee or remuneration in respect of the Notes, and the proposed transfer takes place before end of the distribution compliance period under Regulation S, or we are an officer or director of the Company or a distributor, we certify that the proposed transfer is being made in accordance with the provisions of Rules 903 and 904 of Regulation S.

6. If the proposed transfer takes place before the end of the distribution compliance period under Regulation S, the beneficial interest in the Notes so transferred will be held immediately thereafter through Euroclear (as defined in such Indenture) or Clearstream (as defined in such Indenture).

7. We have advised the transferee of the transfer restrictions applicable to the Notes.

You, the Company and counsel for the Company are entitled to rely upon this Certificate and are irrevocably authorized to produce this Certificate or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

[NAME OF SELLER]

By:

Name:
Title:
Address:

Date of this Certificate: _____, 20____

Form of Supplemental Indenture in Respect of Subsidiary Guarantee

SUPPLEMENTAL INDENTURE, dated as of [_____] (this “Supplemental Indenture”), among [name of Guarantor(s)] (the “Subsidiary Guarantor(s)”), The Hertz Corporation, a corporation duly organized and existing under the laws of the State of Delaware (together with its respective successors and assigns, the “Company”), and each other then existing Subsidiary Guarantor under the Indenture referred to below (the “Existing Guarantors”), and Wells Fargo Bank, National Association, as Trustee under the Indenture referred to below.

W I T N E S S E T H:

WHEREAS, the Company, any Existing Guarantors and the Trustee have heretofore become parties to an Indenture, dated as of October 16, 2012 (as amended, supplemented, waived or otherwise modified, the “Indenture”), providing for the issuance of Notes in series;

WHEREAS, Section 1308 of the Indenture provides that the Company is required to cause the Subsidiary Guarantors to execute and deliver to the Trustee a supplemental indenture pursuant to which the Subsidiary Guarantors shall guarantee the Company's Subsidiary Guaranteed Obligations under the Notes pursuant to a Subsidiary Guarantee on the terms and conditions set forth herein and in Article XIII of the Indenture;

WHEREAS, each Subsidiary Guarantor desires to enter into such supplemental indenture for good and valuable consideration, including substantial economic benefit in that the financial performance and condition of such Subsidiary Guarantor is dependent on the financial performance and condition of the Company, the obligations hereunder of which such Subsidiary Guarantor has guaranteed, and on such Subsidiary Guarantor's access to working capital through the Company's access to revolving credit borrowings under the Senior Credit Agreements; and

WHEREAS, pursuant to Section 901 of the Indenture, the parties hereto are authorized to execute and deliver this Supplemental Indenture to amend the Indenture, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Subsidiary Guarantors, the Company, the Existing Guarantors and the Trustee mutually covenant and agree for the benefit of the Holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular Section hereof.

2. Agreement to Guarantee. [The] [Each] Subsidiary Guarantor hereby agrees, jointly and severally with [all] [any] other Subsidiary Guarantors and fully and unconditionally, to guarantee the Subsidiary Guaranteed Obligations under the Indenture and the Notes on the terms and subject to the conditions set forth in Article XIII of the Indenture and to be bound by (and shall be entitled to the benefits of) all other applicable provisions of the Indenture as a Subsidiary Guarantor.

3. Termination, Release and Discharge. [The] [Each] Subsidiary Guarantor's Subsidiary Guarantee shall terminate and be of no further force or effect, and [the] [each] Subsidiary Guarantor shall be released and discharged from all obligations in respect of such Subsidiary Guarantee, as and when provided in Section 1303 of the Indenture.

4. Parties. Nothing in this Supplemental Indenture is intended or shall be construed to give any Person, other than the Holders and the Trustee, any legal or equitable right, remedy or claim under or in respect of [the] [each] Subsidiary Guarantor's Subsidiary Guarantee or any provision contained herein or in Article XIII of the Indenture.

5. Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THE TRUSTEE, THE COMPANY, ANY OTHER OBLIGOR IN RESPECT OF THE NOTES AND (BY THEIR ACCEPTANCE OF THE NOTES) THE HOLDERS AGREE TO SUBMIT TO THE JURISDICTION OF ANY UNITED STATES FEDERAL OR STATE COURT LOCATED IN THE BOROUGH OF MANHATTAN, IN THE CITY OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE.

6. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby. The Trustee makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or as to the accuracy of the recitals to this Supplemental Indenture.

7. Counterparts. The parties hereto may sign one or more copies of this Supplemental Indenture in counterparts, all of which together shall constitute one and the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

8. Headings. The Section headings herein are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

[NAME OF SUBSIDIARY GUARANTOR(S)],
as Subsidiary Guarantor

By: _____
Name:
Title:

THE HERTZ CORPORATION

By: _____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By: _____
Name:
Title:

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[Form of Certificate from Acquiring Institutional Accredited Investors]Certificate from Acquiring Institutional Accredited Investor

WELLS FARGO BANK, NATIONAL ASSOCIATION

Wells Fargo Bank, National Association,
as Trustee and Note Registrar - DAPS Reorg
MAC N9303-121
608 2nd Avenue South
Minneapolis, MN 55479
Telephone No.: (877) 872-4605
Fax No.: (866) 969-1290
Email: DAPSReorg@wellsfargo.com

Re: HDTFS, Inc.²⁴ (the "Company")
[]% Senior Notes due 20[] (the "Notes")

Ladies and Gentlemen:

In connection with our proposed sale of \$_____ aggregate principal amount of Notes, we confirm that:

1. We understand that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Indenture dated as of October 16, 2012 relating to the Notes (the "Indenture") and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "Securities Act").

2. We understand that the Notes have not been registered under the Securities Act or any other applicable securities law, and that the Notes may not be offered, sold or otherwise transferred except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should offer, sell, transfer, pledge, hypothecate or otherwise dispose of any Notes within two years after the original issuance of the Notes, we will do so only (*A*) to the Company, (*B*) inside the United States to a "qualified institutional buyer" in compliance with Rule 144A under the Securities Act, (*C*) inside the United States to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes to you a signed letter substantially in the form of this letter, (*D*) outside the United States to a foreign person in compliance with Rule 904 of Regulation S under the Securities Act, (*E*) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available), or (*F*) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing any of the Notes from

24 Replace with "The Hertz Corporation" from and after the Effective Date.

us a notice advising such purchaser that resales of the Notes are restricted as stated herein and in the Indenture.

3. We understand that, on any proposed transfer of any Notes prior to the later of the original issue date of the Notes and the last date the Notes were held by an affiliate of the Company pursuant to paragraphs 2(C), 2(D) and 2(E) above, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed transfer complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

4. We are an institutional “accredited investor” (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are acquiring the Notes for investment purposes and not with a view to, or offer or sale in connection with, any distribution in violation of the Securities Act, and we are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes purchased by us for our own account or for one or more accounts (each of which is an institutional “accredited investor”) as to each of which we exercise sole investment discretion.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

(Name of Transferee)

By: _____
Authorized Signature

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FORM OF SUPPLEMENTAL INDENTURE ESTABLISHING A SERIES OF NOTES

HDTFS, INC.²⁵

as Issuer

[and

the Subsidiary Guarantors from time to time party to the Indenture]

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

as Trustee

—

[] SUPPLEMENTAL INDENTURE

DATED AS OF [], 20[]

to the

INDENTURE

DATED AS OF OCTOBER 16, 2012

Providing for the Issuance of

[]% Senior Notes Due []

25 Replace with “THE HERTZ CORPORATION” from and after the Effective Date.

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[]²⁶ SUPPLEMENTAL INDENTURE, dated as of [_____], 20[] (this “Supplemental Indenture”), among HDTFS, Inc.²⁷ (together with its successors and assigns, the “Company”), as issuer, the Subsidiary Guarantors under the Indenture referred to below (the “Subsidiary Guarantors”), and Wells Fargo Bank, National Association, as Trustee.

W I T N E S S E T H:

WHEREAS, the Company, the Subsidiary Guarantors and the Trustee are party to the Indenture, dated as of October 16, 2012 (as amended, supplemented or otherwise modified from time to time, the “Indenture”), which provides for the issuance from time to time of Notes by the Company;

WHEREAS, Section 901(6) of the Indenture provides that the Company may provide for the issuance of Notes of any series as permitted by Section 301 therein;

WHEREAS, in connection with the issuance of the [] Notes (as defined herein), the Company has duly authorized the execution and delivery of this Supplemental Indenture to establish the forms and terms of the [] Notes as hereinafter described; and

WHEREAS, pursuant to Section 901 of the Indenture, the parties hereto are authorized to execute and deliver this Supplemental Indenture to amend the Indenture, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, the Subsidiary Guarantors and the Trustee mutually covenant and agree for the benefit of the Holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as so defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Title of Notes. There shall be a series of Notes of the Company designated the “[]%²⁸ Senior Notes due 20[]”²⁹ (the “[]³⁰ Notes”).

26 Insert supplement number. _____

27 Replace with “The Hertz Corporation” from and after the Effective Date.

28 Insert interest rate.

29 Insert year during which the maturity date falls.

30 Insert title of notes.

3. Maturity Date. The final Stated Maturity of the [] Notes shall be [[], 20[]].³¹

4. Interest and Interest Rates. Interest on the Outstanding principal amount of [] Notes will accrue at the rate of []%³² per annum and will be payable semi-annually in arrears on [[] and []]³³ in each year, commencing on [[], 20[]],³⁴ to holders of record on the immediately preceding [[] and []]³⁵, respectively (each such [] and [], a “Regular Record Date”). Interest on the [] Notes will accrue from the most recent date to which interest has been paid or provided for or, if no interest has been paid, from [], 20[], except that interest on any Additional [] Notes (as defined below) issued on or after the first Interest Payment Date (and Exchange Notes issued in exchange therefor) will accrue (or will be deemed to have accrued) from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid on such Additional [] Notes, from the Interest Payment Date immediately preceding the date of issuance of such Additional [] Notes (or if the date of issuance of such Additional [] Notes is an Interest Payment Date, from such date of issuance); provided that if any [] Note and any Exchange Notes issued in exchange therefor are surrendered for exchange on or after a record date for an Interest Payment Date that will occur on or after the date of such exchange, interest on such Note received in exchange thereof will accrue from such Interest Payment Date.

5. [No] Limitation on Aggregate Principal Amount. The aggregate principal amount of [] Notes that may be authenticated and delivered and Outstanding under the Indenture is [not limited] [limited to \$[]].³⁶ [The aggregate principal amount of the [] Notes shall initially be \$[] million.]³⁷ [The aggregate principal amount of the [] Notes issued pursuant to this Supplemental Indenture shall be \$[] million.]³⁸ The Company may from time to time, without the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the [] Notes in all respects or in all respects except for issue date, issue price and, if applicable, the first date on which interest accrues and the first payment of interest thereon. Additional Notes issued in this manner will be consolidated with, and will form a single series with, the [] Notes (any such Additional Notes, “Additional [] Notes”), unless otherwise specified for Additional Notes in an applicable Notes Supplemental Indenture, or otherwise designated by the Company, as contemplated by Section 301 of the Indenture.

31 Insert Maturity Date.

32 Insert interest rate.

33 Insert Interest Payment Dates.

34 Insert First Interest Payment Date.

35 Insert Record Dates.

36 Insert whether the applicable series of Notes will be limited or not.

37 Insert for the initial notes of any applicable series.

38 Insert for the Additional Notes of any applicable series.

6. **Redemption.** (a) The [] Notes will be redeemable, at the Company's option, in whole or in part, at any time and from time to time on and after [[], 20[]]³⁹ and prior to maturity thereof at the applicable redemption price set forth below. Such redemption may be made upon notice to each Holder in accordance with Section 1005 of the Indenture and the Company shall notify the Trustee of such Redemption Date, and the principal amount of Notes to be redeemed in accordance with Section 1003 of the Indenture. The Company may provide in such notice that payment of the redemption price and the performance of the Company's obligations with respect to such redemption may be performed by another Person. Any such redemption and notice may, in the Company's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the occurrence of a Change of Control. The [] Notes will be so redeemable at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest, if any, to the relevant Redemption Date (subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date pursuant to Section 307 of the Indenture), if redeemed during the 12-month period commencing on []⁴⁰ of the years set forth below:

Redemption Period ⁴¹	Price ⁴²
20[]	[]%
20[]	[]%
20[]	[]%
20[] and thereafter	100%

(b) In addition, at any time and from time to time on or prior to [], 20[],⁴³ the Company at its option may redeem [] Notes in an aggregate principal amount equal to up to []%⁴⁴ of the original aggregate principal amount of the Notes (including the principal amount of any Additional [] Notes, or any other Additional Notes of the same series

39 Insert date upon which the Notes are callable.

40 Insert date upon which the Notes are callable.

41 Insert years, adding or deleting lines if applicable.

42 Insert prices.

43 Insert date until which equity clawback is applicable.

44 Insert maximum percentage for equity clawback.

as the [] Notes), with funds in an equal aggregate amount (the “Redemption Amount”) not exceeding the aggregate proceeds of one or more Equity Offerings, at a redemption price (expressed as a percentage of principal amount thereof) of []%,⁴⁵ plus accrued and unpaid interest, if any, to the Redemption Date (subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date pursuant to Section 307 of the Indenture); ⁴⁶ *provided, however*, that an aggregate principal amount of [] Notes equal to at least []% of the original aggregate principal amount of [] Notes (including the principal amount of any Additional [] Notes, or any other Additional Notes of the same series as the [] Notes) must remain outstanding immediately after each such redemption.

(c) The Company may make such redemption upon notice to each Holder in accordance with Section 1005 of the Indenture and the Company shall notify the Trustee of such Redemption Date and the principal amount of Notes to be redeemed in accordance with Section 1003 of the Indenture (but in no event more than 180 days after the completion of the related Equity Offering). The Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person. Any such notice may be given prior to the completion of the related Equity Offering, and any such redemption or notice may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the completion of the related Equity Offering.

(d) At any time prior to [[], 20[]],⁴⁷ [] Notes may also be redeemed or purchased (by the Company or any other person) in whole or in part, at the Company's option, at a price (the “Redemption Price”) equal to 100.0% of the principal amount thereof plus the Applicable Premium as of, and accrued but unpaid interest, if any, to, the Redemption Date (subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date pursuant to Section 307 of the Indenture). Such redemption may be made upon notice to each Holder in accordance with Section 1005 of the Indenture and the Company shall notify the Trustee of such Redemption Date and the principal amount of Notes to be redeemed in accordance with Section 1003 of the Indenture. The Company may provide in such notice that payment of the Redemption Price and performance of the Company's obligations with respect to such redemption may be performed by another Person. Any such redemption or notice may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the occurrence of a Change of Control.

“Applicable Premium” means, with respect to a [] Note at any Redemption Date, the greater of (i) 1.00% of the principal amount of such [] Note and (ii) the excess of (A) the

45 Insert premium.

46 Insert minimum amount required to remain outstanding.

47 Insert date upon which the Notes are callable.

present value at such Redemption Date of (1) the redemption price of such [] Note on [], 20[]⁴⁸ (such redemption price being that described in Section 6(a)), plus (2) all required remaining scheduled interest payments due on such [] Note through such date (excluding accrued and unpaid interest to the Redemption Date), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (B) the principal amount of such [] Note on such Redemption Date, as calculated by the Company or on behalf of the Company by such Person as the Company shall designate; *provided* that such calculation shall not be a duty or obligation of the Trustee.

“Treasury Rate” means, with respect to a Redemption Date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two Business Days prior to such Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such Redemption Date to [], 20[]⁴⁹ *provided, however*, that if the period from the Redemption Date to such date is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the Redemption Date to such date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

7. []⁵⁰

8. Form. The [] Notes shall be issued substantially in the form set forth, or referenced, in Article II of the Indenture, and either Exhibit A or B attached to the Indenture, in each case as provided for in Section 201 of the Indenture (as such form may be modified in accordance with Section 301 of the Indenture).

48 Insert date upon which the Notes are callable.

49 Insert date upon which the Notes are callable.

50 Include appropriate provisions in accordance with Section 301(7) and/or Section 301(8) of the Indenture.

9. Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THE TRUSTEE, THE COMPANY, ANY OTHER OBLIGOR IN RESPECT OF THE NOTES AND (BY THEIR ACCEPTANCE OF THE NOTES) THE HOLDERS AGREE TO SUBMIT TO THE JURISDICTION OF ANY UNITED STATES FEDERAL OR STATE COURT LOCATED IN THE BOROUGH OF MANHATTAN, IN THE CITY OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE.

10. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby. The Trustee makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or as to the accuracy of the recitals to this Supplemental Indenture.

11. Counterparts. The parties hereto may sign one or more copies of this Supplemental Indenture in counterparts, all of which together shall constitute one and the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

12. Headings. The section headings herein are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

HDTFS, INC.⁵¹

By: _____
Name:
Title:

[SUBSIDIARY GUARANTORS:

[]

By: _____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

51 Replace with "THE HERTZ CORPORATION" from and after the Effective Date.

HDTFS, INC.

as Issuer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

as Trustee

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FIRST SUPPLEMENTAL INDENTURE

DATED AS OF OCTOBER 16, 2012

to the

INDENTURE

DATED AS OF OCTOBER 16, 2012

Providing for the Issuance of

5.875% Senior Notes Due 2020

FIRST SUPPLEMENTAL INDENTURE, dated as of October 16, 2012 (this "Supplemental Indenture"), among HDTFS, INC. (the "Company"), as issuer and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.

WITNESSETH:

WHEREAS, the Company and the Trustee, are party to the Indenture, dated as of October 16, 2012 (as amended, supplemented or otherwise modified from time to time, the "Indenture"), which provides for the issuance from time to time of Notes by the Company;

WHEREAS, Section 901(6) of the Indenture provides that the Company may provide for the issuance of Notes of any series as permitted by Section 301 therein;

WHEREAS, in connection with the issuance of the 2020 Notes (as defined herein), the Company has duly authorized the execution and delivery of this Supplemental Indenture to establish the forms and terms of the 2020 Notes as hereinafter described; and

WHEREAS, pursuant to Section 901 of the Indenture, the parties hereto are authorized to execute and deliver this Supplemental Indenture to amend the Indenture, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company and the Trustee mutually covenant and agree for the benefit of the Holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as so defined. The words "herein," "hereof" and "hereunder" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

"Escrow Officer's Certificate" has the meaning attributed to the term "Officer's Certificate" in the Escrow Agreement.

"Escrow Termination Notice" has the meaning set forth in the Escrow Agreement.

"Mandatory Redemption Event" means (i) 5:00 p.m. (New York City time) on the then applicable Outside Date, if (and only if) the Escrow Agent has not received an Escrow Officer's Certificate at or prior to such time, or (ii) the receipt by the Escrow Agent of an Escrow Termination Notice from the Company prior to the then applicable Outside Date or (iii) the termination of the Merger Agreement at any time prior to the then applicable Outside Date and the receipt by the Escrow Agent of written notice thereof given by the Company.

"Outside Date" has the meaning set forth in the Escrow Agreement.

"Special Mandatory Redemption Price" means a price equal to 100.0% of the initial issue price of the 2020 Notes plus accrued and unpaid interest on the 2020 Notes, if any, as calculated in accordance with the terms of the Indenture and the 2020 Notes, from and including the Issue Date to, but excluding, the Special Mandatory Redemption Date.

2. Title of Notes. There shall be a series of Notes of the Company designated the "5.875% Senior Notes due 2020" (the "2020 Notes").

3. Maturity Date. The final Stated Maturity of the 2020 Notes shall be October 15, 2020.

4. Interest and Interest Rates. Interest on the Outstanding principal amount of 2020 Notes will accrue at the rate of 5.875% per annum and will be payable semi-annually in arrears on April 15 and October 15 in each year, commencing on April 15, 2013, to holders of record on the immediately preceding April 1 and October 1, respectively (each such April 1 and October 1, a “Regular Record Date”). Interest on the 2020 Notes will accrue from the most recent date to which interest has been paid or provided for or, if no interest has been paid, from October 16, 2012, except that interest on any Additional 2020 Notes (as defined below) issued on or after the first Interest Payment Date (and Exchange Notes issued in exchange therefor) will accrue (or will be deemed to have accrued) from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid on such Additional 2020 Notes, from the Interest Payment Date immediately preceding the date of issuance of such Additional 2020 Notes (or if the date of issuance of such Additional 2020 Notes is an Interest Payment Date, from such date of issuance); *provided* that if any 2020 Note and any Exchange Notes issued in exchange therefor are surrendered for exchange on or after a record date for an Interest Payment Date that will occur on or after the date of such exchange, interest on such Note received in exchange thereof will accrue from such Interest Payment Date.

5. No Limitation on Aggregate Principal Amount. The aggregate principal amount of 2020 Notes that may be authenticated and delivered and Outstanding under the Indenture is not limited. The aggregate principal amount of the 2020 Notes shall initially be \$700,000,000. The Company may from time to time, without the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the 2020 Notes in all respects or in all respects except for issue date, issue price and, if applicable, the first date on which interest accrues and the first payment of interest thereon. Additional Notes issued in this manner will be consolidated with, and will form a single series with, the 2020 Notes (any such Additional Notes, “Additional 2020 Notes”), unless otherwise specified for Additional Notes in an applicable Notes Supplemental Indenture, or otherwise designated by the Company, as contemplated by Section 301 of the Indenture.

6. Redemption. (a) The 2020 Notes will be redeemable, at the Company's option, in whole or in part, at any time and from time to time on and after October 15, 2015 and prior to maturity at the applicable redemption price set forth below. Such redemption may be made upon notice mailed to each Holder in accordance with Section 1005 of the Indenture and the Company shall notify the Trustee of such Redemption Date, and the principal amount of 2020 Notes to be redeemed in accordance with Section 1003 of the Indenture. The Company may provide in such notice that payment of the redemption price and the performance of the Company's obligations with respect to such redemption may be performed by another Person. Any such redemption and notice may, in the Company's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the occurrence of a Change of Control. The 2020 Notes will be so redeemable at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest, if any, to the relevant Redemption Date (subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date pursuant to Section 307 of the Indenture), if redeemed during the 12-month period commencing on October 15 of the years set forth below:

Redemption Period	Price
2015	104.406%
2016	102.938%
2017	101.469%
2018 and thereafter	100.000%

(b) In addition, at any time and from time to time on or prior to October 15, 2015, the Company at its option may redeem 2020 Notes in an aggregate principal amount equal to up to 35% of the original aggregate principal amount of the 2020 Notes (including the principal amount of any Additional 2020 Notes, or any other Additional Notes of the same series as the 2020 Notes), with funds in an equal aggregate amount (the “Redemption Amount”) not exceeding the aggregate proceeds of one or more Equity Offerings, at a redemption price (expressed as a percentage of principal amount thereof) of 105.875%, plus accrued and unpaid interest, if any, to the Redemption Date (subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date pursuant to Section 307 of the Indenture); *provided, however*, that an aggregate principal amount of 2020 Notes equal to at least 50% of the original aggregate principal amount of 2020 Notes (including the principal amount of any Additional 2020 Notes, or any other Additional Notes of the same series as the 2020 Notes) must remain outstanding immediately after each such redemption.

(c) The Company may make such redemption upon notice to each Holder in accordance with Section 1005 of the Indenture and the Company shall notify the Trustee of such Redemption Date and the principal amount of Notes to be redeemed in accordance with Section 1003 of the Indenture (but in no event more than 180 days after the completion of the related Equity Offering). The Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person. Any such notice may be given prior to the completion of the related Equity Offering, and any such redemption or notice may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the completion of the related Equity Offering.

(d) At any time prior to October 15, 2015, 2020 Notes may also be redeemed in whole or in part, at the Company's option, at a price (the “Redemption Price”) equal to 100.0% of the principal amount thereof plus the Applicable Premium as of, and accrued but unpaid interest, if any, to, the Redemption Date (subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date pursuant to Section 307 of the Indenture). Such redemption may be made upon notice to each Holder in accordance with Section 1005 of the Indenture and the Company shall notify the Trustee of such Redemption Date and the principal amount of Notes to be redeemed in accordance with Section 1003 of the Indenture. The Company may provide in such notice that payment of the Redemption Price and performance of the Company's obligations with respect to such redemption may be performed by another Person. Any such redemption or notice may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the occurrence of a Change of Control.

“Applicable Premium” means, with respect to a 2020 Note at any Redemption Date, the greater of (*i*) 1.00% of the principal amount of such 2020 Note and (*ii*) the excess of (*A*) the present value at such Redemption Date of (*I*) the redemption price of such 2020 Note on October 15, 2015 (such redemption price being that described in Section 6(a)), plus (*2*) all required remaining scheduled interest payments due on such 2020 Note through such date (excluding accrued and unpaid interest to the Redemption Date), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (*B*) the principal amount of such 2020 Note on such Redemption Date, as calculated by the Company or on behalf of the Company by such Person as the Company shall designate; *provided* that such calculation shall not be a duty or obligation of the Trustee.

“Treasury Rate” means, with respect to a Redemption Date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly

available at least two Business Days prior to such Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such Redemption Date to October 15, 2015; *provided, however*, that if the period from the Redemption Date to such date is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the Redemption Date to such date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

(e) Special Mandatory Redemption.

(i) Upon the occurrence of a Mandatory Redemption Event, the Company will redeem all and not less than all of the 2020 Notes at the Special Mandatory Redemption Price, with notice of such redemption to be provided as described in Section 6(e)(ii) below. Such redemption (the “Special Mandatory Redemption”) shall be made in accordance with the terms of the Escrow Agreement and for purposes of a Special Mandatory Redemption, the Company shall not be subject to the provisions of Section 1006 of the Indenture.

(ii) The Company will deliver to the Trustee and the Escrow Agent notice of the occurrence of a Mandatory Redemption Event (a “Special Redemption Company Notice”), within three Business Days following the occurrence thereof. Concurrently with the delivery of the Special Redemption Company Notice, the Company will request the Trustee to, at the Company's expense, deliver a notice prepared by the Company that a Special Mandatory Redemption is to occur (a “Special Redemption Trustee Notice”) and will notify the Trustee and the Escrow Agent of the Redemption Date (the “Special Mandatory Redemption Date”), which date shall be no later than three Business Days after the date of delivery of the Special Redemption Company Notice. Upon the receipt by the Trustee of a Special Redemption Company Notice, the Trustee shall promptly (and in any event within one Business Day) mail to each Holder a Special Redemption Trustee Notice. The Special Redemption Trustee Notice shall set forth the information provided in Section 1005 of the Indenture. The Company will perform the Special Mandatory Redemption on the Special Mandatory Redemption Date.

7. Reserved.

8. Form. The 2020 Notes shall be issued substantially in the form set forth, or referenced, in Article II of the Indenture, and either Exhibit A or B attached to the Indenture, in each case as provided for in Section 201 of the Indenture (as such form may be modified in accordance with Section 301 of the Indenture).

9. Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THE TRUSTEE, THE COMPANY, ANY OTHER OBLIGOR IN RESPECT OF THE NOTES AND (BY THEIR ACCEPTANCE OF THE NOTES) THE HOLDERS AGREE TO SUBMIT TO THE JURISDICTION OF ANY UNITED STATES FEDERAL OR STATE COURT LOCATED IN THE BOROUGH OF MANHATTAN, IN THE CITY OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE.

10. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall

form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby. The Trustee makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or as to the accuracy of the recitals to this Supplemental Indenture.

11. Counterparts. The parties hereto may sign one or more copies of this Supplemental Indenture in counterparts, all of which together shall constitute one and the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

12. Headings. The section headings herein are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

HDTFS, INC.

By: /s/ R. Scott Massengill

Name: R. Scott Massengill

Title: President

[Signature Page to the Supplemental Indenture re 5.875% Senior Notes]

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By: /s/ Martin Reed

Name: Martin Reed

Title: Vice President

[Signature Page to the Supplemental Indenture re 5.875% Senior Notes]

HDTFS, INC.

as Issuer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

as Trustee

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SECOND SUPPLEMENTAL INDENTURE

DATED AS OF OCTOBER 16, 2012

to the

INDENTURE

DATED AS OF OCTOBER 16, 2012

Providing for the Issuance of

6.250% Senior Notes Due 2022

SECOND SUPPLEMENTAL INDENTURE, dated as of October 16, 2012 (this “Supplemental Indenture”), among HDTFS, INC. (the “Company”), as issuer and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.

W I T N E S S E T H:

WHEREAS, the Company and the Trustee, are party to the Indenture, dated as of October 16, 2012 (as amended, supplemented or otherwise modified from time to time, the “Indenture”), which provides for the issuance from time to time of Notes by the Company;

WHEREAS, Section 901(6) of the Indenture provides that the Company may provide for the issuance of Notes of any series as permitted by Section 301 therein;

WHEREAS, in connection with the issuance of the 2022 Notes (as defined herein), the Company has duly authorized the execution and delivery of this Supplemental Indenture to establish the forms and terms of the 2022 Notes as hereinafter described; and

WHEREAS, pursuant to Section 901 of the Indenture, the parties hereto are authorized to execute and deliver this Supplemental Indenture to amend the Indenture, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company and the Trustee mutually covenant and agree for the benefit of the Holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as so defined. The words “herein,” “hereof” and “hereunder” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

“Escrow Officer's Certificate” has the meaning attributed to the term “Officer's Certificate” in the Escrow Agreement.

“Escrow Termination Notice” has the meaning set forth in the Escrow Agreement.

“Mandatory Redemption Event” means (i) 5:00 p.m. (New York City time) on the then applicable Outside Date, if (and only if) the Escrow Agent has not received an Escrow Officer's Certificate at or prior to such time, or (ii) the receipt by the Escrow Agent of an Escrow Termination Notice from the Company prior to the then applicable Outside Date or (iii) the termination of the Merger Agreement at any time prior to the then applicable Outside Date and the receipt by the Escrow Agent of written notice thereof given by the Company.

“Outside Date” has the meaning set forth in the Escrow Agreement.

“Special Mandatory Redemption Price” means a price equal to 100.0% of the initial issue price of the 2022 Notes plus accrued and unpaid interest on the 2022 Notes, if any, as calculated in accordance with the terms of the Indenture and the 2022 Notes, from and including the Issue Date to, but excluding, the Special Mandatory Redemption Date.

2. Title of Notes. There shall be a series of Notes of the Company designated the “6.250% Senior Notes due 2022” (the “2022 Notes”).

3. Maturity Date. The final Stated Maturity of the 2022 Notes shall be October 15, 2022.

4. Interest and Interest Rates. Interest on the Outstanding principal amount of 2022 Notes will accrue at the rate of 6.250% per annum and will be payable semi-annually in arrears on April 15 and October 15 in each year, commencing on April 15, 2013, to holders of record on the immediately preceding April 1 and October 1, respectively (each such April 1 and October 1, a “Regular Record Date”). Interest on the 2022 Notes will accrue from the most recent date to which interest has been paid or provided for or, if no interest has been paid, from October 16, 2012, except that interest on any Additional 2022 Notes (as defined below) issued on or after the first Interest Payment Date (and Exchange Notes issued in exchange therefor) will accrue (or will be deemed to have accrued) from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid on such Additional 2022 Notes, from the Interest Payment Date immediately preceding the date of issuance of such Additional 2022 Notes (or if the date of issuance of such Additional 2022 Notes is an Interest Payment Date, from such date of issuance); *provided* that if any 2022 Note and any Exchange Notes issued in exchange therefor are surrendered for exchange on or after a record date for an Interest Payment Date that will occur on or after the date of such exchange, interest on such Note received in exchange thereof will accrue from such Interest Payment Date.

5. No Limitation on Aggregate Principal Amount. The aggregate principal amount of 2022 Notes that may be authenticated and delivered and Outstanding under the Indenture is not limited. The aggregate principal amount of the 2022 Notes shall initially be \$500,000,000. The Company may from time to time, without the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the 2022 Notes in all respects or in all respects except for issue date, issue price and, if applicable, the first date on which interest accrues and the first payment of interest thereon. Additional Notes issued in this manner will be consolidated with, and will form a single series with, the 2022 Notes (any such Additional Notes, “Additional 2022 Notes”), unless otherwise specified for Additional Notes in an applicable Notes Supplemental Indenture, or otherwise designated by the Company, as contemplated by Section 301 of the Indenture.

6. Redemption. (a) The 2022 Notes will be redeemable, at the Company's option, in whole or in part, at any time and from time to time on and after October 15, 2017 and prior to maturity at the applicable redemption price set forth below. Such redemption may be made upon notice mailed to each Holder in accordance with Section 1005 of the Indenture and the Company shall notify the Trustee of such Redemption Date, and the principal amount of 2022 Notes to be redeemed in accordance with Section 1003 of the Indenture. The Company may provide in such notice that payment of the redemption price and the performance of the Company's obligations with respect to such redemption may be performed by another Person. Any such redemption and notice may, in the Company's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the occurrence of a Change of Control. The 2022 Notes will be so redeemable at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest, if any, to the relevant Redemption Date (subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date pursuant to Section 307 of the Indenture), if redeemed during the 12-month period commencing on October 15 of the years set forth below:

Redemption Period	Price
2017	103.125%
2018	102.083%
2019	101.042%
2020 and thereafter	100.000%

(b) In addition, at any time and from time to time on or prior to October 15, 2015, the Company at its option may redeem 2022 Notes in an aggregate principal amount equal to up to 35% of the original aggregate principal amount of the 2022 Notes (including the principal amount of any Additional 2022 Notes, or any other Additional Notes of the same series as the 2022 Notes), with funds in an equal aggregate amount (the “Redemption Amount”) not exceeding the aggregate proceeds of one or more Equity Offerings, at a redemption price (expressed as a percentage of principal amount thereof) of 106.250%, plus accrued and unpaid interest, if any, to the Redemption Date (subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date pursuant to Section 307 of the Indenture); *provided, however*, that an aggregate principal amount of 2022 Notes equal to at least 50% of the original aggregate principal amount of 2022 Notes (including the principal amount of any Additional 2022 Notes, or any other Additional Notes of the same series as the 2022 Notes) must remain outstanding immediately after each such redemption.

(c) The Company may make such redemption upon notice to each Holder in accordance with Section 1005 of the Indenture and the Company shall notify the Trustee of such Redemption Date and the principal amount of Notes to be redeemed in accordance with Section 1003 of the Indenture (but in no event more than 180 days after the completion of the related Equity Offering). The Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person. Any such notice may be given prior to the completion of the related Equity Offering, and any such redemption or notice may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the completion of the related Equity Offering.

(d) At any time prior to October 15, 2017, 2022 Notes may also be redeemed in whole or in part, at the Company's option, at a price (the “Redemption Price”) equal to 100.0% of the principal amount thereof plus the Applicable Premium as of, and accrued but unpaid interest, if any, to, the Redemption Date (subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date pursuant to Section 307 of the Indenture). Such redemption may be made upon notice to each Holder in accordance with Section 1005 of the Indenture and the Company shall notify the Trustee of such Redemption Date and the principal amount of Notes to be redeemed in accordance with Section 1003 of the Indenture. The Company may provide in such notice that payment of the Redemption Price and performance of the Company's obligations with respect to such redemption may be performed by another Person. Any such redemption or notice may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the occurrence of a Change of Control.

“Applicable Premium” means, with respect to a 2022 Note at any Redemption Date, the greater of (*i*) 1.00% of the principal amount of such 2022 Note and (*ii*) the excess of (*A*) the present value at such Redemption Date of (*I*) the redemption price of such 2022 Note on October 15, 2017 (such redemption price being that described in Section 6(a)), plus (*2*) all required remaining scheduled interest payments due on such 2022 Note through such date (excluding accrued and unpaid interest to the Redemption Date), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (*B*) the principal amount of such 2022 Note on such Redemption Date, as calculated by the Company or on behalf of the Company by such Person as the Company shall designate; *provided* that such calculation shall not be a duty or obligation of the Trustee.

“Treasury Rate” means, with respect to a Redemption Date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly

available at least two Business Days prior to such Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such Redemption Date to October 15, 2017; *provided, however*, that if the period from the Redemption Date to such date is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the Redemption Date to such date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

(e) Special Mandatory Redemption.

(i) Upon the occurrence of a Mandatory Redemption Event, the Company will redeem all and not less than all of the 2022 Notes at the Special Mandatory Redemption Price, with notice of such redemption to be provided as described in Section 6(e)(ii) below. Such redemption (the “Special Mandatory Redemption”) shall be made in accordance with the terms of the Escrow Agreement and for purposes of a Special Mandatory Redemption, the Company shall not be subject to the provisions of Section 1006 of the Indenture.

(ii) The Company will deliver to the Trustee and the Escrow Agent notice of the occurrence of a Mandatory Redemption Event (a “Special Redemption Company Notice”), within three Business Days following the occurrence thereof. Concurrently with the delivery of the Special Redemption Company Notice, the Company will request the Trustee to, at the Company's expense, deliver a notice prepared by the Company that a Special Mandatory Redemption is to occur (a “Special Redemption Trustee Notice”) and will notify the Trustee and the Escrow Agent of the Redemption Date (the “Special Mandatory Redemption Date”), which date shall be no later than three Business Days after the date of delivery of the Special Redemption Company Notice. Upon the receipt by the Trustee of a Special Redemption Company Notice, the Trustee shall promptly (and in any event within one Business Day) mail to each Holder a Special Redemption Trustee Notice. The Special Redemption Trustee Notice shall set forth the information provided in Section 1005 of the Indenture. The Company will perform the Special Mandatory Redemption on the Special Mandatory Redemption Date.

7. Reserved.

8. Form. The 2022 Notes shall be issued substantially in the form set forth, or referenced, in Article II of the Indenture, and either Exhibit A or B attached to the Indenture, in each case as provided for in Section 201 of the Indenture (as such form may be modified in accordance with Section 301 of the Indenture).

9. Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THE TRUSTEE, THE COMPANY, ANY OTHER OBLIGOR IN RESPECT OF THE NOTES AND (BY THEIR ACCEPTANCE OF THE NOTES) THE HOLDERS AGREE TO SUBMIT TO THE JURISDICTION OF ANY UNITED STATES FEDERAL OR STATE COURT LOCATED IN THE BOROUGH OF MANHATTAN, IN THE CITY OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE.

10. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall

form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby. The Trustee makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or as to the accuracy of the recitals to this Supplemental Indenture.

11. Counterparts. The parties hereto may sign one or more copies of this Supplemental Indenture in counterparts, all of which together shall constitute one and the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

12. Headings. The section headings herein are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

HDTFS, INC.

By: /s/ R. Scott Massengill
Name: R. Scott Massengill
Title: President

[Signature Page to the Supplemental Indenture re 6.250% Senior Notes]

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By: /s/ Martin Reed
Name: Martin Reed
Title: Vice President

[Signature Page to the Supplemental Indenture re 6.250% Senior Notes]

November 2, 2012

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Commissioners:

We are aware that our report dated November 2, 2012 on our review of interim financial information of Hertz Global Holdings, Inc. and its subsidiaries (the "Company") for the three-month and nine-month periods ended September 30, 2012 and September 30, 2011 and included in the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2012 is incorporated by reference in the Registration Statements on Form S-8 (File Nos. 333-168808, 333-138812 and 333-151103) and on Form S-3 (File Nos. 333-159348 and 333-173125).

Very truly yours,

/s/ PricewaterhouseCoopers LLP

Florham Park, New Jersey

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

I, Mark P. Frissora, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 30, 2012 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)) for the registrant 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: November 2, 2012

By: /s/ MARK P. FRISSORA

Mark P. Frissora
Chief Executive Officer

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

I, Elyse Douglas, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 30, 2012 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)) for the registrant 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: November 2, 2012

By: /s/ ELYSE DOUGLAS

Elyse Douglas
Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the quarterly report of Hertz Global Holdings, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark P. Frissora, Chief Executive 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: November 2, 2012

By: /s/ MARK P. FRISSORA

Mark P. Frissora
Chief Executive Officer

**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 September 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Elyse Douglas, 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: November 2, 2012

By: /s/ ELYSE DOUGLAS

Elyse Douglas
Chief Financial Officer

