IMPORTANT NOTICE

THIS PRELIMINARY OFFERING MEMORANDUM (THE "OFFERING MEMORANDUM") IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS WITHIN THE MEANING OF RULE 144A ("RULE 144A") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR (2) A NON-U.S. PERSON OUTSIDE OF THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (THE "EEA"), A QUALIFIED INVESTOR (AS DEFINED BELOW)).

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering memorandum following this notice, and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached offering memorandum. In accessing the attached offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

Confirmation of your representation: In order to be eligible to view this offering memorandum or make an investment decision with respect to the securities, you must: (i) be a qualified institutional buyer ("QIB") as defined in Rule 144A; or (ii) a non-U.S. person purchasing the securities described herein in an offshore transaction outside the United States in reliance on Regulation S, *provided* that investors resident in a member state of the EEA ("Member State") must be a qualified investor (within the meaning of Article 2(1)(e) of Directive 2003/71/EC, as amended (including as amended by Directive 2010/73/EU), and any relevant implementing measure in each Member State). You have been sent the attached offering memorandum on the basis that you have confirmed to the initial purchasers set forth in the attached offering memorandum (the "Initial Purchasers"), being the sender or senders of the attached, that (A) either: (i) you or any customers that you represent are non-U.S. persons outside of the United States and the e-mail address to which this offering memorandum has been delivered is not located in the United States, its territories and possessions, any state of the United States or the District of Columbia; "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands; or (ii) you and any customers you represent are QIBs; (B) if you are resident in a Member State of the EEA, you are a qualified investor; and (C) in all cases, that you consent to delivery of such offering memorandum by electronic transmission.

This offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission

and, consequently, none of the Initial Purchasers, any person who controls any of the Initial Purchasers, Hertz Holdings Netherlands B.V. (the "Issuer"), or any of their respective subsidiaries, nor any director, officer, employer, employee or agent of theirs, or affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.

Prospective purchasers that are QIBs are hereby notified that the seller of the securities will be relying on the exemption from the provisions of Section 5 of the Securities Act pursuant to Rule 144A.

You are reminded that the attached offering memorandum has been delivered to you on the basis that you are a person into whose possession this offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver this offering memorandum to any other person. You may not transmit the attached offering memorandum (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Initial Purchasers. If you receive this document by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of the Issuer in such jurisdiction.

Restrictions: The attached document is being furnished in connection with an offering exempt from registration under the Securities Act. Nothing in this electronic transmission constitutes an offer of securities for sale in the United States. Under no circumstances shall the offering memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of this offering memorandum who intend to subscribe for or purchase securities are reminded that any subscription or purchase may only be made on the basis of the information contained in this offering memorandum.

This offering memorandum has been prepared on the basis that any offer of Notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. The expression "Prospectus Directive" means Directive 2003/71/EC on the prospectus to be published when the securities are offered to the public or admitted to trading (as amended, including by Directive 2010/73/EU, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State.

This communication is for distribution only to, and is directed solely at, persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. No part of this offering memorandum should be published, reproduced, distributed or

otherwise made available in whole or part to any other person without the prior written consent of the Issuer. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this offering memorandum or any of its contents. The Notes are not being offered or sold to any person in the United Kingdom, except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of the Financial Services and Markets Act 2000.

MiFID II Product Governance; Professional Investors and ECPs Only Target Market: Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation; Prohibition of Sales to EEA Retail Investors: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

PRELIMINARY OFFERING MEMORANDUM

CONFIDENTIAL—NOT FOR GENERAL CIRCULATION IN THE UNITED STATES

€500,000,000

% Senior Notes due 2023

The % Senior Notes due 2023 will be issued in the aggregate principal amount of €500,000,000 (the "*Notes*") by Hertz Holdings Netherlands B.V., a private company with limited liability incorporated under the laws of The Netherlands and with its corporate seat in Amsterdam, The Netherlands (the "*Issuer*"). The Notes will be guaranteed (each a "*Guarantee*" and together the "*Guarantees*") by The Hertz Corporation (the "*Parent Guarantor*"), certain United States ("*U.S.*") subsidiaries of the Parent Guarantor (collectively, the "U.S. Subsidiary Guarantors") and certain non-U.S. subsidiaries of the Parent Guarantor (collectively, the "*Non-U.S. Subsidiary Guarantors*" and, together with the U.S. Subsidiary Guarantors, the "*Subsidiary Guarantors*," and the Subsidiary Guarantors together with the Parent Guarantor, the "*Guarantors*").

The Notes will mature on , 2023. The Issuer will pay interest on the Notes semi-annually in arrears on and of each year, commencing on , 2018. The Notes will be redeemable at our option in whole or in part at any time (i) prior to , 2020, at a redemption price equal to 100% of their principal amount plus the applicable "make-whole" premium set forth in this offering memorandum and (ii) on or after , 2020, at the redemption prices set forth in this offering memorandum, and in each case plus accrued and unpaid interest and Additional Amounts (as defined herein), if any, to the date of redemption. In addition, on or before , 2020, the Issuer may, on one or more occasions, apply funds equal to the proceeds from one or more equity offerings to redeem up to 40% of the aggregate principal amount of the Notes at a redemption price equal to %, plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, so long as at least 50% of the original aggregate principal amount of the Notes issued under the indenture governing the Notes (as amended, supplemented, waived or otherwise modified, the "*Indenture*") remains outstanding immediately after such redemption. Additionally, the Issuer may redeem in whole, but not in part, the Notes upon the occurrence of certain changes in applicable tax law. Upon the occurrence of certain specified change of control triggering events, the Issuer will be required to offer to repurchase the Notes at 101% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any.

The Notes will be the Issuer's senior unsecured obligations and will rank equally in right of payment with all of the Issuer's existing and future indebtedness that is not subordinated in right of payment to the Notes and will be senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the Notes. The Guarantees will be each Guarantor's senior unsecured obligations and will rank equally in right of payment with all of such Guarantor's existing and future indebtedness that is not subordinated in right of payment to such Guarantee and will be senior in right of payment to any and all of the existing and future indebtedness of such Guarantor that is subordinated in right of payment to such Guarantee. The Notes and the Guarantees will be effectively subordinated to all of the Issuer's and each Guarantor's existing and future secured debt, including under our Senior Facilities, the Letter of Credit Facility, the Senior Second Priority Secured Notes and the European Revolving Credit Facility, as applicable, to the extent of the value of the assets securing such indebtedness, and to all existing and future debt of the Parent Guarantor's subsidiaries (other than the Issuer) that do not guarantee the Notes. A Guarantee of a Subsidiary Guarantor may be automatically released in certain circumstances as described under "*Description of Notes—Guarantees and Release of Guarantors*" and "*Description of Notes—Resignation and Release of Non-U.S. Subsidiary Guarantors and Other Members of the European Borrowing Base Group*."

Currently, there is no public market for the Notes. The Issuer intends to apply to The International Stock Exchange Authority Limited for the Notes to be listed on the Official List of The International Stock Exchange (the "*Exchange*"). There is no assurance that this application will be accepted. See "*Listing and General Information*."

Investing in the Notes involves a high degree of risk. See "Risk Factors" beginning on page 20.

The Notes will be issued in the form of one or more global notes in registered form. On or about , 2018 (the "*Issue Date*"), the global notes will be delivered, deposited and registered in the name of a nominee of a common depositary for Euroclear Bank SA/NV ("*Euroclear*") and Clearstream Banking, *société anonyme* ("*Clearstream*").

Price: %

The Notes will be issued in registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The Notes are offered pursuant to an exemption from the obligation to publish a prospectus as set forth in Article 3, paragraph 2 of the Prospectus Directive (as defined below). This offering memorandum has not been approved by any competent authority in the European Economic Area (the "EEA") for purposes of the Prospectus Directive and has not been prepared in accordance with and is not a prospectus within the meaning of the Prospectus Directive and the E.C. Prospectus Regulation 809/2004, as amended, including E.U. Prospectus Regulation 486/2012, and the rules promulgated thereunder.

The Notes and Guarantees have not been registered under the federal securities laws of the U.S. or the securities laws of any other jurisdiction. Accordingly, the initial purchasers named below (the "Initial Purchasers") are offering and selling the Notes only to qualified institutional buyers ("QIBs") in reliance on Rule 144A ("Rule 144A") under the U.S. Securities Act of 1933, as amended (the "Securities Act") and to non-U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")) outside the U.S. in offshore transactions in compliance with Regulation S. Prospective purchasers that are QIBs are hereby notified that the sellers of the Notes and Guarantees may be relying on the exemption from the registration requirements under the Securities Act provided by Rule 144A. See "Plan of Distribution" and "Transfer Restrictions" for additional information about eligible offerees and transfer restrictions with respect to the Notes.

We expect that delivery of the Notes will be made against payment therefor on or about the business day following the date of confirmation of orders with respect to the Notes (this settlement cycle being referred to as "T+ "). Pursuant to Rule 15c6-1 of the Securities and Exchange Commission (the "*SEC*") under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes before the Notes are delivered will be required, by virtue of the fact that the Notes initially will settle in T+ , to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes before their delivery should consult their own advisor.

Global Coordinators and Joint Book-Runners

Crédit Agricole CIB **BNP PARIBAS**

Joint Book-Runners

Barclays **Deutsche Bank**

Lloyds Bank **Natixis** **RBC Capital Markets**

Offering Memorandum dated , 2018

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IMPORTANT INFORMATION

This offering memorandum has been prepared by us based on information we possess or have obtained from sources we believe to be reliable. Summaries of documents contained in this offering memorandum may not be complete. Copies of documents referred to herein will be made available to prospective investors upon request to us or the Initial Purchasers. Neither we nor the Initial Purchasers represent that the information in this offering memorandum is complete. The information set forth in this offering memorandum is current only as of the date hereof, and the information contained in the documents incorporated by reference in this offering memorandum is accurate only as of the respective dates of those documents. Our business, financial condition and results of operations may have changed after such dates or may change (together with any other information included in this offering memorandum) after the date of this offering memorandum. You should consult your own legal, tax and business advisors regarding an investment in the Notes. Information in this offering memorandum is not legal, tax or business advice.

Neither the Initial Purchasers nor any of their respective affiliates have authorized the whole or any part of this offering memorandum and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this offering memorandum or any responsibility for any act or omission of the Issuer, the Guarantors or any other person (other than the relevant Initial Purchaser) in connection with the issue and offering of the Notes. Neither the delivery of this offering memorandum nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Guarantors since the date of this offering memorandum.

You should base your decision to invest in the Notes solely on information contained or incorporated by reference in this offering memorandum. Neither we nor the Initial Purchasers have authorized anyone to provide you with any different information.

We are offering the Notes in reliance on an exemption from registration under the Securities Act for an offer and sale of securities that does not involve a public offering. If you purchase the Notes, you will be deemed to have made certain acknowledgments, representations and warranties as detailed under "*Transfer Restrictions*." You may be required to bear the financial risk of an investment in the Notes for an indefinite period. Neither we nor the Initial Purchasers are making an offer to sell the Notes in any jurisdiction where the offer and sale of the Notes is prohibited. We do not make any representation to you that the Notes are a legal investment for you.

The Initial Purchasers are only acting for the Issuer and the Guarantors in connection with the transaction referred to in this offering memorandum and no one else and will not be responsible to anyone other than the Issuer and the Guarantors for providing the protections offered to clients of the Initial Purchasers nor for providing advice in relation to the transaction, this document or any arrangement or other matter referred to herein.

The Issuer intends to apply to The International Stock Exchange Authority Limited for the Notes to be listed on the Official List of the Exchange. In the course of any review by the competent authority, we may be required (under applicable law, rules, regulations or guidance applicable to the listing of securities or otherwise) to make certain changes or additions to or deletions from the description of our business, financial statements and other information contained herein in producing listing particulars for such listing. Comments by the competent authority may require significant modification or reformulation of information contained in this offering memorandum or may require the inclusion of additional information in the listing particulars. We may also be required to update the information in this offering memorandum to reflect changes in our business, financial condition or results of operations and prospects since the publication of this offering memorandum. We cannot guarantee that such application for the admission of the Notes to listing on the Official List of the

Exchange will be approved as of the settlement date for the Notes or at any time thereafter, and settlement of the Notes is not conditioned on obtaining this listing. Following the listing, the relevant listing particulars will be available at the offices of the Listing Agent (as defined herein) for a period of 14 days from the date of listing. Any investor or potential investor in the EEA should not base any investment decision relating to the Notes on the information contained in this offering memorandum after publication of the listing particulars and should refer instead to the listing particulars.

Each prospective purchaser of the Notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor the Initial Purchasers shall have any responsibility therefor.

By receiving this offering memorandum, you acknowledge that you have had an opportunity to request from the Issuer for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this offering memorandum. You also acknowledge that you have not relied on the Initial Purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes.

No person is authorized in connection with any offering made by this offering memorandum to give any information or to make any representation not contained in this offering memorandum and, if given or made, any other information or representation must not be relied upon as having been authorized by the Issuer, the Guarantors or the Initial Purchasers. The information contained in this offering memorandum is accurate as of the date hereof. Neither the delivery of this offering memorandum at any time nor any subsequent commitment to purchase the Notes shall, under any circumstances, create any implication that there has been no change in the information set forth in this offering memorandum or in the business of the Issuer or the Guarantors since the date of this offering memorandum.

The information set out in those sections of this offering memorandum describing clearing and settlement is subject to any change or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream currently in effect. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures. None of the Issuer, the Guarantors or the Trustee will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to such book-entry interests.

NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE NOTES OR DETERMINED IF THIS OFFERING MEMORANDUM IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

We have prepared this offering memorandum solely for use in connection with the offer of the Notes to QIBs under Rule 144A and to non-U.S. persons outside the U.S. under Regulation S. You agree that you will hold the information contained in this offering memorandum and the transactions contemplated hereby in confidence. You may not distribute this offering memorandum to any person, other than a person retained to advise you in connection with the purchase of the Notes. The Issuer reserves the right to withdraw this offering at any time. The Issuer is making this offering subject to the terms described in this offering memorandum and the purchase agreement relating to the Notes among the Issuer, the Parent Guarantor and Crédit Agricole Corporate and Investment Bank, as the representative of the Initial Purchasers. We and the Initial Purchasers may reject any offer to purchase

the Notes in whole or in part, sell less than the entire principal amount of the Notes offered hereby or allocate to any purchaser less than all of the Notes for which it has subscribed.

The distribution of this offering memorandum and the offer and sale of the Notes are restricted by law in some jurisdictions. This offering memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. Each prospective offeree or purchaser of the Notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this offering memorandum, and must obtain any consent, approval or permission required under any regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor the Initial Purchasers shall have any responsibility therefor.

THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PROSPECTIVE PURCHASERS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

STABILIZATION

In connection with the offering of the Notes, the Initial Purchasers (or persons acting on behalf of the Initial Purchasers) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Initial Purchasers (or persons acting on behalf of the Initial Purchasers) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offering of the Notes is made and, if begun, may be ended at any time, but it must end no later than 30 days after the date on which the Issuer received the proceeds of the issue, or no later than 60 days after the date of the allotment of the Notes, whichever is the earlier.

NOTICE TO PROSPECTIVE INVESTORS

This offering is being made in the U.S. in reliance upon an exemption from registration under the Securities Act for an offer and sale of the Notes which does not involve a public offering. In making your purchase, you will be deemed to have made certain acknowledgments, representations and agreements.

This offering memorandum is being provided (*1*) to U.S. investors that we reasonably believe to be QIBs under Rule 144A for informational use solely in connection with their consideration of the purchase of the Notes and (*2*) to investors outside the U.S. who are not U.S. persons in connection with offshore transactions complying with Rule 903 or Rule 904 of Regulation S. The Notes described in this offering memorandum have not been registered with, recommended by or approved by the SEC, any state securities commission in the U.S. or any other securities commission or regulatory authority in any jurisdiction, nor has the SEC, any state securities commission in the U.S. or any such other securities commission or authority in any jurisdiction passed upon the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

MiFID II Product Governance; Professional Investors and ECPs Only Target Market: Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "*MiFID II*"); and

(ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "*distributor*") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation; Prohibition of Sales to EEA Retail Investors: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "*Insurance Mediation Directive*"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "*PRIIPs Regulation*") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

See "*Plan of Distribution*" for additional notices and selling restrictions for investors in various additional countries.

ENFORCEABILITY OF CIVIL LIABILITIES

The Issuer is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands. Certain persons named or referred to in this offering memorandum reside outside the U.S. and all or a significant portion of the assets of the directors and officers and certain other persons named or referred to in this offering memorandum are located outside the U.S. As a result, it may not be possible for you to effect service of process within the U.S. upon such persons or to enforce against them judgments obtained in U.S. courts, including judgments predicated upon civil liability under U.S. securities laws, in the courts of a foreign jurisdiction.

The agreements entered into with respect to the issuance of the Notes are governed by the laws of the State of New York. The U.S. and The Netherlands currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Consequently, a final and conclusive judgment for the payment of money rendered by any federal or state court in the U.S. which is enforceable in the U.S., whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in The Netherlands. In order to obtain a judgment which is enforceable in The Netherlands, the party in whose favor a final and conclusive judgment of the U.S. court has been rendered will be required to file its claim with a court of competent jurisdiction in The Netherlands. Such party may submit to the Dutch court the final judgment rendered by the U.S. court. The Dutch court will have discretion to attach such weight to this final judgment as it deems appropriate. The Dutch court can be expected to give binding effect to such judgment, in respect of its contractual obligations thereunder, to the extent (i) the Dutch court has accepted jurisdiction on the basis of an internationally recognized ground to accept jurisdiction, (ii) the proceedings before such court have complied with the principles of proper procedure (*behoorlijke rechtspleging*), (iii) such judgment is not contrary to the public policy of The Netherlands and (iv) that the foreign judgment is not irreconcilable with a judgment of a Dutch court given between the same parties, or with an earlier judgment of a foreign court given between the same parties in a dispute involving the same cause of action and subject matter, provided that such earlier judgment fulfils the conditions necessary for it to be given binding effect in the Netherlands. The

enforcement in a Dutch court of judgments rendered by a court in the U.S. is subject to Dutch rules of civil procedure.

Subject to the foregoing and service of process in accordance with applicable treaties, investors may be able to enforce in The Netherlands judgments in civil and commercial matters obtained from U.S. federal or state courts. However, no assurance can be given that those judgments will be enforceable. In addition, it is doubtful whether a Dutch court would accept jurisdiction and impose civil liability in an original action commenced in The Netherlands and predicated solely upon U.S. federal securities laws.

GENERAL INFORMATION

Our corporate headquarters are located at 8501 Williams Road, Estero, Florida, USA 33928. Our telephone number is +1-239-301-7000. We maintain an Internet website at *http://www.hertz.com*. Please note that the information included in, or linked to on, our website is not a part of this offering memorandum and this website address is not an active hyperlink.

Unless otherwise indicated or the context otherwise requires, in this offering memorandum, references to (i) the "*Issuer*" mean Hertz Holdings Netherlands B.V., a private company with limited liability incorporated under the laws of The Netherlands, and an indirect wholly owned subsidiary of Hertz Holdings and Hertz, (ii) "*Hertz Holdings*" mean Hertz Global Holdings, Inc., our top-level holding company, (iii) "*Old Hertz Holdings*" for periods on or prior to June 30, 2016, and "*Herc Holdings*" for periods after June 30, 2016, mean the former Hertz Global Holdings, Inc.; (iv) "*Hertz*" and "*Parent Guarantor*" mean The Hertz Corporation, Hertz Holdings' primary operating company and a direct wholly owned subsidiary of Rental Car Intermediate Holdings, LLC, which is wholly owned by Hertz Holdings, (v) the "*Company*," "*we*," "*us*" and "*our*" mean Hertz and its consolidated subsidiaries, (vi) "*vehicles*" mean cars, crossovers and light trucks (and internationally, vans), (vii) "*U.S. RAC*" mean the U.S. rental car reportable segment, (viii) "*International RAC*" mean the international rental car reportable segment, (ix) "*HERC*" mean the former equipment rental business of Hertz Holdings, including Herc Rentals Inc., formerly known as Hertz Equipment Rental Corporation, (x) "*program vehicles*" mean vehicles purchased under repurchase or guaranteed depreciation programs with vehicle manufacturers, (xi) "*non-program vehicles*" mean vehicles not purchased under repurchase or guaranteed depreciation programs for which we are exposed to residual risk and (xii) "*Spin-Off*" mean the spin-off by Old Hertz Holdings of its global vehicle rental business through a dividend to stockholders of record of Old Hertz Holdings as of the close of business on June 22, 2016, the record date for the distribution, of all of the issued and outstanding shares of common stock of Hertz Rental Car Holding Company, Inc., which was re-named Hertz Global Holdings, Inc. in connection with the Spin-Off, on a one-to-five basis. As a result of the Spin-Off, each of Hertz Holdings and Herc Holdings are independent public companies trading on the New York Stock Exchange, with Hertz Holdings trading under the symbol "HTZ" and Herc Holdings, which changed its name to Herc Holdings Inc. on June 30, 2016, trading under the symbol "HRI".

While Hertz Holdings is the ultimate parent of the Issuer, the Notes are the obligations of the Issuer and not of Hertz Holdings. In addition, Hertz Holdings is not a guarantor of the Notes.

Hertz Holdings was incorporated in Delaware in 2015 and serves as the top-level holding company that indirectly wholly owns Hertz, its primary operating company. Hertz was incorporated in Delaware in 1967 and is a successor to corporations that have been engaged in the vehicle rental and leasing business since 1918.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Use of Non-GAAP Financial Information

This offering memorandum includes certain financial measures that are not defined within generally accepted accounting principles ("*GAAP*"), including Gross EBITDA, Adjusted Corporate EBITDA, Credit Agreement Adjusted Corporate EBITDA, net vehicle debt, net non-vehicle debt and total net debt. When evaluating our operating performance, investors should not consider Gross EBITDA, Adjusted Corporate EBITDA or Credit Agreement Adjusted Corporate EBITDA in isolation of, or as a substitute for, measures of our financial performance as determined in accordance with GAAP, such as net income (loss) from continuing operations or income (loss) from continuing operations before income taxes. When evaluating our liabilities and debt, investors should not consider net vehicle debt, net non-vehicle debt or total net debt in isolation of, or as a substitute for, measures of liabilities and debt as determined in accordance with GAAP. For definitions of these non-GAAP financial measures and a reconciliation of each measure to the most directly comparable financial measure calculated and presented in accordance with GAAP, see "*Summary Consolidated Financial Information*."

Currency Presentation

Unless otherwise indicated, all references in this offering memorandum to "*Euro*," "*euro*" or "*€*" are to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended. All references to "*dollars*," "*$*," "*U.S. $*" or "*U.S. dollars*" are to the lawful currency of the U.S. We prepare our financial statements in dollars. We present certain exchange rates between euros and dollars below under "*Exchange Rates*." These rates may differ from the actual rates used in the preparation of our consolidated financial statements and other financial information appearing in, or incorporated by reference into, this offering memorandum.

MARKET AND INDUSTRY DATA

Information in this offering memorandum and the documents incorporated by reference herein about the vehicle rental industry, including our general expectations concerning the industry and our market position and market share, are based on estimates prepared using data from various sources and on assumptions made by us. We believe data regarding the vehicle rental industry and our market position and market share within the industry is inherently imprecise, but generally indicates our size and position and market share within the industry. Although we believe that the information provided by third parties is generally accurate, we have not independently verified any of that information. While we are not aware of any misstatements regarding any industry data presented in this offering memorandum or the documents incorporated by reference herein, our estimates, in particular as they relate to our general expectations concerning the vehicle rental industry, involve risks and uncertainties and are subject to change based on various factors, including those discussed under "*Risk Factors*" and "*Cautionary Note Regarding Forward-Looking Statements*."

TRADEMARKS

We have proprietary rights to a number of trademarks used in this offering memorandum that are important to our business, including, by way of example and without limitation, Hertz, Dollar, Thrifty and Donlen. Solely for convenience, trademarks and trade names referred to in this offering memorandum may appear without the "®" or "™" symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this offering memorandum is the property of its respective holder.

EXCHANGE RATES

The following tables set forth, for the periods and dates indicated, the ending, average, high and low exchange rates for each of the three years ended December 31, 2017 and for each of the last six months as published by the Federal Reserve Bank of New York for euro, expressed in U.S. dollars per euro. As of February 23, 2018, the daily exchange rate for euro, expressed in U.S. dollars per euro, as published by the Federal Reserve Bank of New York was $1.23 per €1.00. This exchange rate information is provided only for your information and does not represent the exchange rates used in the preparation of the financial and other information included in, or incorporated by reference into, this offering memorandum. We make no representation that U.S. dollar amounts or euro amounts referred to in this offering memorandum have been, could have been or could, in the future, be converted at any particular rate.

Annual Exchange Rate Data	Period End	Average rate(1)	High	Low
2015	1.09	1.11	1.20	1.05
2016	1.06	1.11	1.15	1.04
2017	1.20	1.13	1.20	1.04

Last Six Months—Monthly Exchange Rate Data	Period End	Average rate(1)	High	Low
September 2017	1.18	1.19	1.20	1.17
October 2017	1.16	1.18	1.18	1.16
November 2017	1.19	1.17	1.19	1.16
December 2017	1.20	1.18	1.20	1.17
January 2018	1.24	1.22	1.25	1.19
February 2018 (through February 23, 2018)	1.23	1.24	1.25	1.22

(1) The average rate is calculated as the average of the month end figures for the relevant year-long period or the average of the daily exchange rates on each business day for the relevant month-long period.

INCORPORATION BY REFERENCE

Hertz is incorporating by reference into this offering memorandum the documents or portions thereof listed below that Hertz has previously filed with the SEC (other than the portions of those documents furnished or otherwise not deemed to be filed). These documents were jointly filed by Hertz and Hertz Holdings, and we explicitly do not incorporate by reference into this offering memorandum the information relating to Hertz Holdings and its subsidiaries (other than Hertz and its consolidated subsidiaries), and we make no representation as to the information relating to Hertz Holdings and its subsidiaries (other than Hertz and its consolidated subsidiaries), contained in such filings. They contain important information about Hertz and its financial condition.

Hertz Filings	Period or Date Filed
Annual Report on Form 10-K	Year ended December 31, 2017 (the "*2017 10-K*")
Current Reports on Form 8-K	Filed January 17, 2018 and January 29, 2018

We further incorporate by reference any additional documents that Hertz may file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act between the date of this offering memorandum and the date of completion of this offering (other than the portions of those documents furnished or otherwise not deemed to be filed). These documents include Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and certain Current Reports on Form 8-K that are "filed" with the SEC.

You should read the information relating to us in this offering memorandum together with the information in the documents incorporated by reference.

You can obtain any of the filings incorporated by reference in this offering memorandum from the SEC through the SEC's website or at the SEC's address listed below under the heading "*Where You Can Find Additional Information*." We will provide without charge to each person to whom a copy of this offering memorandum is delivered, upon written or oral request of such person, a copy of any or all of the documents or portions thereof filed by Hertz referred to above which have been or may be incorporated by reference in this offering memorandum. You should direct requests for those documents to The Hertz Corporation, 8501 Williams Road, Estero, Florida, USA 33928, Attention: Investor Relations (telephone +1-239-301-7000).

WHERE YOU CAN FIND ADDITIONAL INFORMATION

The public may read and copy any reports or other information that we file with the SEC. Such filings are available to the public over the Internet at the SEC's website at *http://www.sec.gov*. The SEC's website address included in this offering memorandum is not an active hyperlink. You may also read and copy any document that we file with the SEC at its public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at +1-800-SEC-0330.

Hertz is subject to the informational requirements of the Exchange Act and is required to file reports and other information with the SEC. You can inspect and copy these reports and other information at the public reference facilities maintained by the SEC at the address noted above, or inspect them without charge at the SEC's website. You can also access, free of charge, reports filed by Hertz with the SEC (for example, Hertz's Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K and any amendments to those forms) through the investor relations portion of our website (*http://www.hertz.com*). Reports filed with or furnished to the SEC will be available as soon as reasonably practicable after they are filed with or furnished to the SEC. Please note that the information included in, or linked to on, our website is not a part of this offering memorandum and this website address is not an active hyperlink.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

Important factors that could affect our actual results and cause them to differ materially from those expressed in forward-looking statements include, among others, those that may be disclosed from time to time in subsequent reports filed with the SEC, those described under "*Risk Factors*" in this offering memorandum, and the following:

- any claims, investigations or proceedings arising as a result of the restatement in 2015 of our previously issued financial results;
- our ability to remediate the material weaknesses in our internal controls over financial reporting;
- levels of travel demand, particularly with respect to airline passenger traffic in the U.S. and in global markets;
- the effect of our separation of our vehicle and equipment rental businesses, any failure by Herc Holdings Inc. to comply with the agreements entered into in connection with the separation and our ability to obtain the expected benefits of the separation;
- significant changes in the competitive environment and the effect of competition in our markets on rental volume and pricing, including on our pricing policies or use of incentives;
- occurrences that disrupt rental activity during our peak periods;
- increased vehicle costs due to declines in the value of our non-program vehicles;
- our ability to purchase adequate supplies of competitively priced vehicles and risks relating to increases in the cost of the vehicles we purchase;
- our ability to accurately estimate future levels of rental activity and adjust the number and mix of vehicles used in our rental operations accordingly;
- our ability to maintain sufficient liquidity and the availability to us of additional or continued sources of financing for our revenue earning vehicles and to refinance our existing indebtedness;
- our ability to adequately respond to changes in technology and customer demands;
- our access to third-party distribution channels and related prices, commission structures and transaction volumes;
- an increase in our vehicle costs or disruption to our rental activity, particularly during our peak periods, due to safety recalls by the manufacturers of our vehicles;
- a major disruption in our communication or centralized information networks;

- financial instability of the manufacturers of our vehicles;
- any impact on us from the actions of our franchisees, dealers and independent contractors;
- our ability to sustain operations during adverse economic cycles and unfavorable external events (including war, terrorist acts, natural disasters and epidemic disease);
- shortages of fuel and increases or volatility in fuel costs;
- our ability to successfully integrate acquisitions and complete dispositions;
- our ability to maintain favorable brand recognition and a coordinated and comprehensive branding and portfolio strategy;
- costs and risks associated with litigation and investigations;
- risks related to our indebtedness, including our substantial amount of debt, our ability to incur substantially more debt, the fact that substantially all of our consolidated assets secure certain of our outstanding indebtedness and increases in interest rates or in our borrowing margins;
- our ability to meet the financial and other covenants contained in our Senior Facilities and the Letter of Credit Facility, our outstanding unsecured Senior Notes, our outstanding Senior Second Priority Secured Notes and certain asset-backed and asset-based arrangements;
- changes in accounting principles, or their application or interpretation, and our ability to make accurate estimates and the assumptions underlying the estimates, which could have an effect on operating results;
- risks associated with operating in many different countries, including the risk of a violation or alleged violation of applicable anticorruption or antibribery laws and our ability to repatriate cash from non-U.S. affiliates without adverse tax consequences;
- our ability to prevent the misuse or theft of information we possess, including as a result of cyber security breaches and other security threats;
- our ability to successfully implement our information technology and finance transformation programs;
- changes in the existing, or the adoption of new laws, regulations, policies or other activities of governments, agencies and similar organizations, such as the U.S. Tax Cuts and Jobs Act, where such actions may affect our operations, the cost thereof or applicable tax rates;
- the effect of tangible and intangible asset impairment charges;
- our exposure to uninsured claims in excess of historical levels;
- fluctuations in interest rates and commodity prices;
- our exposure to fluctuations in foreign currency exchange rates; and
- other risks and uncertainties described from time to time in periodic and current reports that we file with the SEC.

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

SUMMARY

This summary highlights selected information regarding us and the offering and should be read as an introduction to the more detailed information appearing elsewhere or incorporated by reference in this offering memorandum. This summary does not contain all the information you should consider before investing in the Notes. You should read the following summary carefully together with the more detailed information and the audited annual consolidated financial statements and unaudited interim condensed consolidated financial statements of Hertz, including the accompanying notes, included elsewhere or incorporated by reference in this offering memorandum. For a more complete understanding of our business and this offering, you should read this entire offering memorandum carefully, including "Risk Factors" and the information incorporated by reference herein, including our financial statements and the notes thereto, before making an investment decision.

Our Company

We operate our vehicle rental business globally through the Hertz, Dollar and Thrifty brands from approximately 10,200 corporate and franchisee locations in North America, Europe, Latin America, Africa, Asia, Australia, the Caribbean, the Middle East and New Zealand. We are one of the largest worldwide airport general use vehicle rental companies and our Hertz brand name is one of the most recognized in the world, signifying leadership in quality rental services and products. We have an extensive network of rental locations in the U.S. and in all major European markets. We believe that we maintain one of the leading airport vehicle rental brand market shares, by overall reported revenues, in the U.S. and at major airports in Europe where data regarding vehicle rental concessionaire activity is available. In addition to our vehicle rental business, we are a leading provider of comprehensive, integrated vehicle leasing and fleet management solutions through our Donlen subsidiary. For the year ended December 31, 2017, we had total revenues of approximately $8.8 billion, income (loss) from continuing operations before income taxes of $(570) million and Adjusted Corporate EBITDA of $267 million. For a reconciliation of income (loss) from continuing operations before income taxes to Adjusted Corporate EBITDA, see "*Summary Consolidated Financial Information*."

On June 30, 2016, Hertz Holdings completed the separation of its vehicle rental and equipment rental businesses into two independent, publicly traded companies. As a result, Hertz Holdings (which was formerly known as Hertz Rental Car Holding Company, Inc.) operates the vehicle rental business through Hertz, and Herc Holdings Inc. ("*Herc Holdings*") (a stand-alone company that was formerly known as Hertz Global Holdings, Inc.) operates the equipment rental business through HERC, as independent companies.

Our Business Segments

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

- U.S. RAC—Rental of vehicles, as well as sales of value-added products and services, in the U.S. and consists of the Company's U.S. operating segment. We maintain a substantial network of company-operated vehicle rental locations in the U.S., enabling us to provide consistent quality and service. We also have franchisees and partners that operate rental locations under our brands throughout the U.S.
- International RAC—Rental and leasing of vehicles, as well as sales of value-added products and services, internationally and consists of the Company's Europe and Other International operating segments, which are aggregated into a reportable segment based primarily upon similar economic characteristics, products and services, customers, delivery methods and general

regulatory environments. We maintain a substantial network of company-operated vehicle rental locations internationally, a majority of which are in Europe. Our franchisees and partners also operate rental locations in approximately 150 countries and jurisdictions, including many of the countries in which we also have company-operated rental locations.

- All Other Operations—Includes the Company's Donlen operating segment which provides vehicle leasing and fleet management services and is not considered a separate reportable segment in accordance with applicable accounting standards, together with other business activities in the U.S. and Canada. Donlen is a leading provider of vehicle leasing and fleet management services for corporate fleets. Donlen's fleet management programs provide outsourcing 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 provides specialized consulting and technology expertise that allows us and our customers to model, measure and manage fleet performance more effectively and efficiently.

For further information on our reportable segments, including financial information for the years ended December 31, 2017, 2016 and 2015, see Note 19, "Segment Information," to our audited annual consolidated financial statements included in the 2017 10-K, which is incorporated by reference into this offering memorandum.

We are pursuing strategies to implement information technology and other investment initiatives to drive improved cost efficiencies and revenue optimization across our business segments. These initiatives are focused on key aspects of our business, including our fleet management (in which we invested $130 million in 2017 and are estimating an additional $100 million investment in 2018), our information technology and operations (in which we invested $70 million in 2017 and are estimating an additional $120 million investment in 2018) and our sales and marketing platform, including other investments related to our pricing and mobility (in which we invested $60 million in 2017 and are estimating an additional $80 million investment in 2018).

Recent Developments

HVF II U.S. Vehicle Medium Term Notes

In January 2018, HVF II issued the Series 2018-1 Rental Car Asset Backed Notes, Class A, Class B, Class C, Class D and Class RR (the "*HVF II Series 2018-1 Notes*") in an aggregate principal amount of approximately $1.1 billion. Hertz purchased all of the approximately $125.8 million of the Class D Notes and Class RR resulting in $1.0 billion aggregate principal amount issued to third parties and used the proceeds to reduce the outstanding principal amount of the HVF II Series 2013-A Notes. There is subordination within the HVF II Series 2018-1 Notes based on class.

The Issuer and the Non-U.S. Subsidiary Guarantors

The Issuer is a holding company for a majority of the Parent Guarantor's non-franchised international operations, including certain of the Non-U.S. Subsidiary Guarantors. It is also party to a number of intercompany funding arrangements. The Non-U.S. Subsidiary Guarantors do not include all entities owning assets that constitute European Borrowing Base Assets. For more information, see "*Risk Factors—Risks Related to the Notes—Not all entities owning assets that constitute European Borrowing Base Assets will be Non-U.S. Subsidiary Guarantors.*"

The Issuer operates a significant amount of our international vehicle rental businesses through its subsidiaries in the United Kingdom, France, The Netherlands, Germany, Italy, the Czech Republic, Slovakia, Belgium, Luxembourg, Australia and Canada. In addition, the Issuer owns Hertz Europe Service Centre Limited, which facilitates corporate operations across the Parent Guarantor's

international structure, including back office operations for the European vehicle rental business, as well as certain support for franchisees and Probus Insurance Company Europe Ltd., which provides property and liability insurance for our European vehicle rental operations.

The Non-U.S. Subsidiary Guarantors are subsidiaries of the Issuer. The Non-U.S. Subsidiary Guarantors are included within the Parent Guarantor's Europe Vehicle Rental business unit, whose top-level management team is based in the Parent Guarantor's international headquarters located in Uxbridge, England. While the country-level business units benefit from the vehicle purchasing power and other operational synergies that derive from the Parent Guarantor's global operations, the Non-U.S. Subsidiary Guarantors generally operate as independent country-level business units for each respective country, except for Belgium and Luxembourg, which share country-level management and retain primary responsibility for their own operational decisions with respect to vehicle purchases, pricing, site selection and staffing.

The vehicle rental business in Europe, like in the U.S., is split into two primary markets by location: on- and off-airport. The European vehicle rental business is further subdivided into five primary markets by vehicle and/or customer type: Commercial, Leisure, Van, Replacement and Medium Term rentals. The European fleet, like that in the U.S., contains a mix of program and non-program vehicles from a diverse group of manufacturer partners. As is the case with the vehicle rental business globally, fleet size peaks with demand during the summer travel season (in some jurisdictions more than others) such that the number of vehicles owned and operated by our business units grows markedly through the spring and early summer months, with a period of defleeting occurring through the fall as demand moderates.

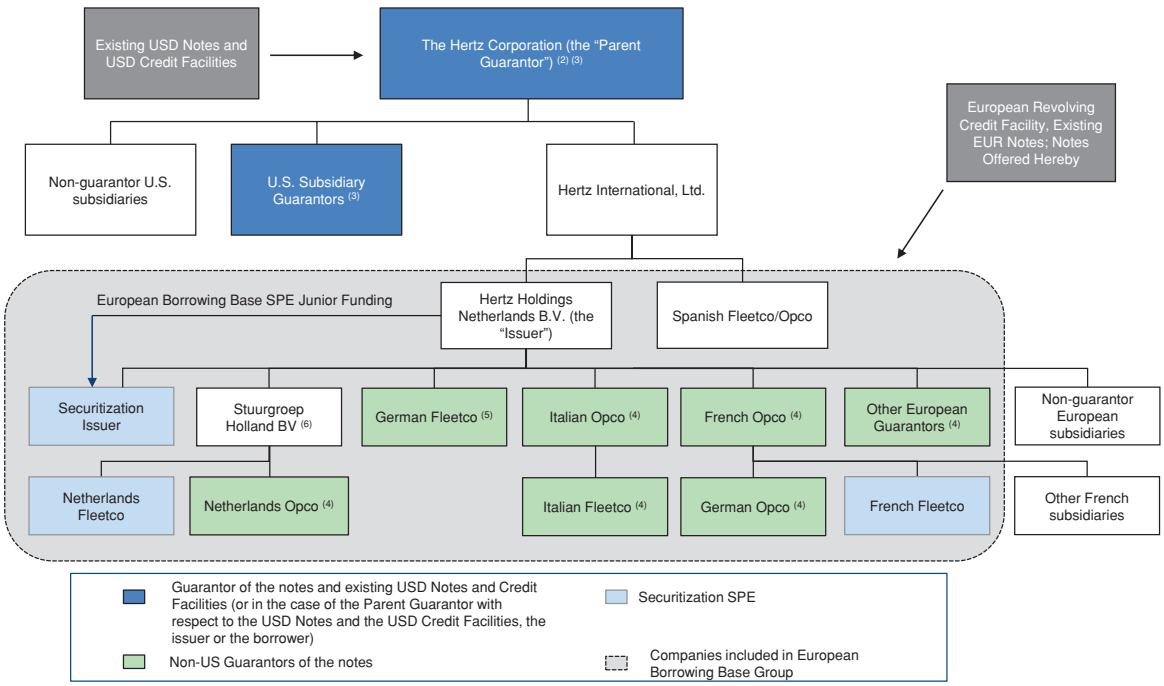
Our key strategies for our vehicle rental business in Europe are to (1) improve the "core"—revenue quality and cost efficiencies, (2) differentiate the customer experience, (3) strengthen both revenue and fleet management capabilities and (4) be the industry leader in mobility.

We intend to improve profitability in our European business through pricing and fleet optimization, including a strong focus on spread margin and quality of revenue. Additional efforts include a continuing focus on brand development across our leisure segments, source markets for our long haul business, commercial growth, and offering a more comprehensive portfolio of services to franchisees.

Improved cost efficiencies and revenue optimization are being pursued through both investments in technology and continuous improvement processes covering our key initiatives in fleet management, operations, pricing and mobility.

These investment will also help us differentiate the customer experience across our entire brand portfolio. Customer service and quality are a priority for the Hertz brand worldwide, where we measure results across a wide number of key performance indicators.

Summary Financing Structure[1]



(1) This financing structure chart is a summary only and does not reflect every entity in the Parent Guarantor's group or each subsidiary of the Parent Guarantor. For a description of the non-vehicle and vehicle debt facilities of the Parent Guarantor and its subsidiaries, see the section of this offering memorandum entitled "*Description of Certain Indebtedness*."

(2) The Parent Guarantor is an indirect wholly owned subsidiary of Hertz Holdings. Hertz Holdings' common stock is listed on the New York Stock Exchange under the ticker "HTZ."

(3) The Notes will initially be guaranteed on a senior unsecured basis by the Parent Guarantor and the following U.S. subsidiaries of the Parent Guarantor: Dollar Rent A Car, Inc.; Dollar Thrifty Automotive Group, Inc.; Donlen Corporation; DTG Operations, Inc.; DTG Supply, LLC; Firefly Rent A Car LLC; HCM Marketing Corporation; Hertz Car Sales LLC; Hertz Claim Management Corporation; Hertz Global Services Corporation; Hertz Local Edition Corp.; Hertz Local Edition Transporting, Inc.; Hertz System, Inc.; Hertz Technologies, Inc.; Hertz Transporting, Inc.; Rental Car Group Company, LLC; Smartz Vehicle Rental Corporation; Thrifty Car Sales, Inc.; Thrifty, LLC; Thrifty Insurance Agency, Inc.; Thrifty Rent-A-Car System, LLC; and TRAC Asia Pacific, Inc.

(4) The Notes will initially be guaranteed on a senior unsecured basis by the following non-U.S. subsidiaries of the Parent Guarantor: Hertz Automobielen Nederland B.V.; Hertz Autovermietung GmbH; Hertz Belgium BVBA; Hertz Fleet (Italiana) S.r.l.; Hertz Fleet Limited; Hertz France SAS; Hertz Italiana S.r.l.; Hertz Luxembourg S.à r.l.; and Hertz UK Receivables Ltd. The Non-U.S. Subsidiary Guarantors do not include all entities owning assets that constitute European Borrowing Base Assets. For more information, see "*Risk Factors—Risks Related to the Notes—Not all entities owning assets that constitute European Borrowing Base Assets will be Non-U.S. Subsidiary Guarantors.*"

(5) The fleet utilized by Hertz Autovermietung GmbH, the German operating company, is financed by Hertz Fleet Limited, a special purpose vehicle incorporated in Ireland.

(6) Stuurgroep Holland BV is not included in the European Borrowing Base Group, and is shown in this structure chart solely for purposes of completeness of our group structure.

The Offering

The summary below describes the principal terms of the offering. Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Description of Notes" section of this offering memorandum contains more detailed descriptions of the terms and conditions of the offering.

Issuer	Hertz Holdings Netherlands B.V.
Parent Guarantor	The Hertz Corporation.
Notes Offered	€500 million in aggregate principal amount of % Senior Notes due , 2023.
Issue Date	, 2018 (the "*Issue Date*").
Issue Price	%.
Form and Denomination	The Issuer will issue the Notes in denominations of €100,000 and integral multiples of €1,000 in excess thereof, maintained in book-entry form. Notes in denominations of less than €100,000 will not be available.
Maturity Date	, 2023.
Interest	The Notes will bear cash interest at a rate of % per annum. Interest on the Notes will be paid semi-annually and in arrears on and , commencing on , 2018. Interest will accrue from the Issue Date.
Use of Proceeds	We intend to use the net proceeds from the issuance of the Notes to redeem all of our outstanding 4.375% Senior Notes due 2019 (the "*4.375% Senior Notes Due 2019*") and to use any additional net proceeds to repay borrowings under the European Revolving Credit Facility. See "*Use of Proceeds*."
Ranking of the Notes	The Notes will be the Issuer's general unsecured obligations and will be: • equal in right of payment to all of the Issuer's existing and future indebtedness and other obligations that are not, by their terms, expressly subordinated in right of payment to the Notes; • senior in right of payment to any of the Issuer's existing or future indebtedness and other obligations that are, by their terms, expressly subordinated in right of payment to the Notes; • effectively subordinated to all of the Issuer's secured indebtedness and other secured obligations, including the Issuer's European Revolving Credit Facility, to the extent of the value of the assets securing such secured indebtedness or other secured obligations; and • structurally subordinated to all existing and future indebtedness and other obligations of the Issuer's subsidiaries that are not Guarantors.

	The Issuer is a holding company with no revenue-generating operations of its own. In order to make payments on the Notes or to meet other obligations, it will be dependent on receiving payments from its operating subsidiaries and/or the Parent Guarantor. Substantially all of our consolidated assets, including our vehicle rental fleet, are subject to security interests or are otherwise encumbered for the lenders under our asset-backed and asset-based financing arrangements. See "*Risk Factors—Risks Related to Our Substantial Indebtedness—Substantially all of our consolidated assets secure certain of our outstanding indebtedness, which could materially adversely affect our debt and equity holders and our business*." The Guarantors will guarantee the Issuer's obligations under the Notes. The U.S. Subsidiary Guarantors currently guarantee Hertz's obligations under the Senior Facilities, the Letter of Credit Facility, the Senior Second Priority Secured Notes and the Senior Notes and the Issuer's obligations under the European Revolving Credit Facility and the European Vehicle Notes, and the Non-U.S. Subsidiary Guarantors currently guarantee the Issuer's obligations under the European Revolving Credit Facility and the European Vehicle Notes. See "*Description of Certain Indebtedness*" and, for financial information regarding our subsidiaries that do not guarantee Hertz's Senior Facilities, the Letter of Credit Facility, the Senior Second Priority Secured Notes, Senior Notes, the European Revolving Credit Facility and the European Vehicle Notes as of and for the fiscal year ended December 31, 2017, see Note 21 to the audited annual consolidated financial statements of Hertz included in the 2017 10-K, which is incorporated by reference into this offering memorandum.
U.S. Subsidiary Guarantees	On the Issue Date, the Notes will be guaranteed on a senior unsecured basis by the following U.S. subsidiaries of Hertz: Dollar Rent A Car, Inc.; Dollar Thrifty Automotive Group, Inc.; Donlen Corporation; DTG Operations, Inc.; DTG Supply, LLC; Firefly Rent A Car LLC; HCM Marketing Corporation; Hertz Car Sales LLC; Hertz Claim Management Corporation; Hertz Global Services Corporation; Hertz Local Edition Corp.; Hertz Local Edition Transporting, Inc.; Hertz System, Inc.; Hertz Technologies, Inc.; Hertz Transporting, Inc.; Rental Car Group Company, LLC; Smartz Vehicle Rental Corporation; Thrifty Car Sales, Inc.; Thrifty, LLC; Thrifty Insurance Agency, Inc.; Thrifty Rent-A-Car System, LLC; and TRAC Asia Pacific, Inc.

Non-U.S. Subsidiary Guarantees	On the Issue Date, the Notes will be guaranteed on a senior unsecured basis by the following non-U.S. subsidiaries of Hertz: Hertz Automobielen Nederland B.V.; Hertz Autovermietung GmbH; Hertz Belgium BVBA; Hertz Fleet (Italiana) S.r.l; Hertz Fleet Limited; Hertz France SAS; Hertz Italiana S.r.l.; Hertz Luxembourg S.à r.l.; and Hertz UK Receivables Ltd.
Ranking of the Guarantees	The Guarantees will be general unsecured obligations of the relevant Guarantor and will be: • equal in right of payment to all existing and future indebtedness and other obligations of the relevant Guarantor that are not, by their terms, expressly subordinated in right of payment to such Guarantee; • senior in right of payment to any existing and future indebtedness and other obligations of the relevant Guarantor that are, by their terms, expressly subordinated in right of payment to such Guarantee; • effectively subordinated to all secured indebtedness and other secured obligations of the relevant Guarantor, including any amounts owed pursuant to our Senior Facilities, the Letter of Credit Facility and the Senior Second Priority Secured Notes (in the case of the U.S. Subsidiary Guarantors) and European Revolving Credit Facility (in the case of the U.S. Subsidiary Guarantors and the Non-U.S. Subsidiary Guarantors) to the extent of the value of the assets securing such secured indebtedness or other secured obligations; and • structurally subordinated to all existing and future indebtedness and other obligations of the subsidiaries of such Guarantor (other than the Issuer and subsidiaries that are, or which become, Subsidiary Guarantors). The Guarantees will be subject to contractual and legal limitations, and may be released without the consent of Noteholders under certain circumstances, including when released under our Senior Facilities, the Letter of Credit Facility, the European Revolving Credit Facility and the European Vehicle Notes. See "*Description of Notes—Guarantees and Release of Guarantors*," "*Description of Notes—Resignation and Release of Non-U.S. Subsidiary Guarantors and Other Members of the European Borrowing Base Group*" and "*Risk Factors—Risks Related to the Notes—The Notes will be unsecured and structurally subordinated to some of our obligations, and only certain of our subsidiaries will guarantee the Notes*."

Additional Amounts	All payments made by or on behalf of the Issuer under or with respect to the Notes, or any of the Guarantors with respect to its Guarantee, will be made without withholding or deduction for, or on account of, any present or future taxes unless required by applicable law. If withholding or deduction for such taxes is required to be made in any relevant Tax Jurisdiction under or with respect to a payment on the Notes or the Guarantees, subject to certain exceptions, the Issuer or the relevant Guarantor, as the case may be, will pay the Additional Amounts necessary so that the net amount received after the withholding or deduction is not less than the amount that would have been received in the absence of the withholding or deduction. See "*Description of Notes—Additional Amounts*."
Mandatory Sinking Fund	None.
Optional Redemption	The Notes will be redeemable at our option in whole or in part at any time (i) prior to , 2020, at a redemption price equal to 100% of their principal amount plus the applicable "make-whole" premium set forth in this offering memorandum and (ii) on or after , 2020, at the redemption prices set forth in this offering memorandum, and in each case plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption. On or prior to , 2020, the Issuer will be entitled at its option on one or more occasions to redeem up to 40% of the aggregate principal amount of the Notes issued under the Indenture (including the principal amount of any Additional Notes of the same series), with the proceeds from certain equity offerings at a redemption price equal to %, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date, so long as at least 50% of the original aggregate principal amount of the Notes issued under the Indenture (including the principal amount of any Additional Notes of the same series) remains outstanding immediately after such redemption. In connection with any tender offer pursuant to which not less than 90% in aggregate principal amount of the outstanding Notes are validly tendered and not withdrawn, we may, subject to additional conditions discussed herein, redeem all of the remaining Notes outstanding following such tender offer at a price in cash equal to the price offered to each Noteholder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, to the date of redemption. See "*Description of Notes—Optional Redemption*."

Redemption for Taxation Reasons . . .	If certain changes in the law of any relevant Tax Jurisdiction (as defined in "*Description of Notes*") impose certain withholding taxes or other deductions on the payments on the Notes, the Issuer may redeem the Notes in whole, but not in part, at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption. See "*Description of Notes—Redemption for Changes in Taxes*" and "*Risk Factors—Risks Related to the Notes—The Notes may be affected by changes in tax law in the Issuer's country of incorporation."*
Change of Control	In the event of certain events that constitute a Change of Control Triggering Event (as defined in "*Description of Notes*"), the Issuer will be required to make an offer to purchase all of the outstanding Notes (unless otherwise redeemed) at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase. See "*Description of Notes—Change of Control Triggering Event*."
Certain Covenants	The Notes and the Guarantees will be issued under the Indenture, which contains covenants that limit, among other things, the ability of Hertz and its Restricted Subsidiaries (as defined in "*Description of Notes*" and including the Issuer) to: • incur certain indebtedness; • pay dividends or make other distributions; • make certain other restricted payments; • create or incur liens; • create encumbrances or restrictions on the ability of the Issuer's subsidiaries to pay dividends or make other payments to it; • lease, transfer or sell certain assets; and • merge or consolidate with other entities. Each of these covenants is subject to certain exceptions. Further, if on any day following the Issue Date (i) the Notes have Investment Grade Ratings from both Rating Agencies and (ii) no Default has occurred and is continuing under the Indenture, then certain of the restrictive covenants contained in the Indenture will cease to be effective and will not be applicable to the Issuer, Hertz and the Restricted Subsidiaries at any time thereafter, regardless of any subsequent changes in the ratings of the Notes (as those preceding defined terms are defined in "*Description of Notes*"). See "*Description of Notes—Certain Covenants—Termination of Certain Covenants*."

Certain Covenants Related to the European Borrowing Base Group	Under circumstances where a European Borrowing Base Deficiency shall have occurred and is continuing, the members of the European Borrowing Base Group will be further restricted in their ability to sell, lease, transfer or dispose of assets to any Non-European Borrowing Base Group Member (as those preceding defined terms are defined in the "*Description of Notes*"). See "*Description of Notes—Certain Covenants—Limitation on Movement of Assets during a European Borrowing Base Deficiency*."
Reports	In addition to the Parent Guarantor filing reports with the SEC annually, the Issuer will also provide a quarterly certificate to the Trustee (as defined below) disclosing the borrowing base asset amount as of the relevant quarter's end. See "*Description of Notes—Certain Covenants—SEC Reports*."
No Registration Rights	We will not be required to, nor do we intend to, file a registration statement for the public resale of the Notes or guarantees thereof or for a registered exchange offer with respect to the Notes or guarantees thereof.
Transfer Restrictions	The Notes and the Guarantees have not been registered under the Securities Act or the securities laws of any other jurisdiction. The Notes are subject to restrictions on transfer and may only be offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or other applicable laws, or pursuant to an effective registration statement. See "*Transfer Restrictions*." We have not agreed to, or otherwise undertaken to, register the Notes (including by way of an exchange offer).
No Prior Market	The Notes will be new securities for which there is currently no existing market. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and the Initial Purchasers may discontinue any market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.
Listing	The Issuer intends to apply to list the Notes on the Official List of the Exchange. There can be no assurance, that the Notes will be listed on the Official List of the Exchange, that such permission to deal in the Notes will be granted or that such listing will be maintained.
Trustee	Wilmington Trust, National Association (the "*Trustee*").
Paying Agent	Deutsche Bank AG, London Branch (the "*Paying Agent*").
Registrar and Transfer Agent	Deutsche Bank Luxembourg S.A.
Exchange Listing Agent	Carey Olsen Corporate Finance Limited

Governing Law	The Notes and the Indenture governing the Notes and the Guarantees will be governed by the laws of the State of New York.
Risk Factors	Investment in the Notes involves risks. You should carefully consider the information under "*Risk Factors*" and all other information included or incorporated by reference in this offering memorandum before buying any Notes.

Summary Consolidated Financial Information

The Hertz Corporation

The following tables present summary consolidated financial information and other data of Hertz and its consolidated subsidiaries. The summary consolidated statement of operations data for the years ended December 31, 2017, 2016 and 2015 and the summary consolidated balance sheet data as of December 31, 2017 and 2016 presented below have been derived from Hertz's audited annual consolidated financial statements and the related notes thereto, which are incorporated by reference in this offering memorandum from the 2017 10-K. The audited annual consolidated financial statements as of December 31, 2017 and 2016 and for the fiscal years ended December 31, 2017, 2016 and 2015 appearing in the 2017 10-K have been audited by PricewaterhouseCoopers LLP.

The following summary consolidated financial information in this section is not meant to replace our consolidated financial statements. The information below is not necessarily indicative of results of future operations, and should be read in conjunction with the section entitled "Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations" and Hertz's consolidated financial statements and the related notes thereto contained in the 2017 10-K, which is incorporated by reference in this offering memorandum, to fully understand factors that may affect the comparability of the information presented below. See "*Where You Can Find Additional Information*" for the location of information incorporated by reference in this offering memorandum.

	Year ended December 31,		
	2017	2016	2015
	(in millions of dollars)		
Statement of Operations Data			
Revenues:			
Worldwide vehicle rental	$8,163	$8,211	$8,434
All other operations	640	592	583
Total revenues	8,803	8,803	9,017
Expenses:			
Direct vehicle and operating	4,958	4,932	5,055
Depreciation of revenue earning vehicles and lease charges, net	2,798	2,601	2,433
Selling, general and administrative	880	899	873
Interest expense, net:			
Vehicle	331	280	253
Non-vehicle	301	343	346
Total interest expense, net	632	623	599
Goodwill and intangible asset impairments	86	292	40
Other (income) expense, net	19	(75)	(115)
Total expenses	9,373	9,272	8,885
Income (loss) from continuing operations before income taxes	(570)	(469)	132
(Provision) benefit for taxes on income (loss) of continuing operations	902	(4)	(17)
Net income (loss) from continuing operations	332	(473)	115
Net income (loss) from discontinued operations	—	(15)	161
Net income (loss)	$ 332	$ (488)	$ 276

	As of December 31,	
	2017	2016
	(in millions of dollars)	
Balance Sheet Data		
Cash and cash equivalents	$ 1,072	$ 816
Total restricted cash and cash equivalents	432	278
Revenue earning vehicles:		
U.S. RAC	7,761	7,716
International RAC	2,153	1,755
All Other Operations	1,422	1,347
Total revenue earning vehicles, net	11,336	10,818
Total assets	20,058	19,155
Net vehicle debt[a]	10,079	9,447
Net non-vehicle debt[a]	3,402	3,116
Total equity	1,520	1,075

	Year ended December 31,		
	2017	2016	2015
	(in millions of dollars)		
Other Financial Data			
Gross EBITDA[b]	$ 3,100	$3,020	$3,438
Adjusted Corporate EBITDA[b]	$ 267	$ 553	$ 858
Net non-vehicle debt[a]/Adjusted Corporate EBITDA[b]	12.74x	5.63x	6.43x
Total net debt[a]/Gross EBITDA[b]	4.35x	4.16x	4.39x
Adjusted Corporate EBITDA[b]/Non-vehicle interest expense, net	0.89x	1.61x	2.48x
Gross EBITDA[b]/interest expense, net	4.91x	4.85x	5.74x
Credit Agreement Adjusted Corporate EBITDA[b][c]	$ 390	$ 546	N/M

N/M = Not meaningful.

Notes:

(a) Net vehicle debt is calculated as vehicle debt as reported on our balance sheet, excluding the impact of unamortized debt issue costs associated with vehicle debt, less restricted cash associated with vehicles. Restricted cash associated with vehicle debt is restricted for the purchase of revenue earning vehicles and other specified uses under our vehicle debt facilities and our vehicle like-kind exchange program. This measure is important to management, investors and ratings agencies as it helps measure our leverage with respect to our vehicle assets.

Net non-vehicle debt is calculated as non-vehicle debt as reported on our balance sheet, excluding the impact of unamortized debt issue costs associated with non-vehicle debt, less cash and equivalents. Non-vehicle debt consists of our Senior Term Loan, Senior RCF, Senior Second Priority Secured Notes, Senior Notes, Promissory Notes and certain other non-vehicle indebtedness of our domestic and foreign subsidiaries. Net non-vehicle debt is important to management and investors as it helps measure the Company's corporate leverage. Net non-vehicle debt also assists in the evaluation of the Company's ability to service its non-vehicle debt without reference to the expense associated with the vehicle debt, which is collateralized by assets not available to lenders under the non-vehicle debt facilities.

Total net debt is calculated as total debt, excluding the impact of unamortized debt issue costs, less total cash and cash equivalents and restricted cash associated with vehicle debt. Unamortized debt issue costs are required to be reported as a deduction from the carrying amount of the related

debt obligation under GAAP. Management believes that eliminating the effects that these costs have on debt will more accurately reflect our net debt position. This measure is important to management, investors and ratings agencies as it helps measure our gross leverage.

The following table reconciles vehicle debt to net vehicle debt, non-vehicle debt to net non-vehicle debt and total debt to total net debt for the periods presented.

	As of December 31,		
	2017	2016	2015
	(in millions of dollars)		
Non-GAAP Reconciliation			
Net Vehicle Debt			
Vehicle debt as reported in the balance sheet	$10,431	$ 9,646	$ 9,823
Add:			
Debt issue costs deducted from debt obligations	34	36	27
Less:			
Restricted cash	(386)	(235)	(289)
Net Vehicle Debt	10,079	9,447	9,561
Net Non-Vehicle Debt			
Non-Vehicle debt as reported in the balance sheet	4,434	3,895	5,947
Add:			
Debt issue costs deducted from debt obligations	40	37	46
Less:			
Cash and cash equivalents	(1,072)	(816)	(474)
Net Non-Vehicle Debt	3,402	3,116	5,519
Total Net Debt	$13,481	$12,563	$15,080

(b) Gross EBITDA is defined as net income (loss) from continuing operations before net interest expense, income taxes and depreciation (which includes lease charges on revenue earning vehicles) and amortization. Corporate EBITDA, as presented herein, represents Gross EBITDA as adjusted for vehicle debt interest, vehicle depreciation and vehicle debt-related charges. Adjusted Corporate EBITDA, as presented herein, represents Corporate EBITDA as adjusted for certain other miscellaneous, non-recurring, or non-cash items, as described in more detail in the tables below.

Management uses Gross EBITDA, Corporate EBITDA and Adjusted Corporate EBITDA as operating performance metrics for internal monitoring and planning purposes, including the preparation of our annual operating budget and monthly operating reviews, as well as to facilitate analysis of investment decisions, profitability and performance trends. Further, Gross EBITDA enables management and investors to isolate the effects on profitability of operating metrics such as revenue, direct vehicle and operating expenses and selling, general and administrative expenses, which enables management and investors to evaluate our business segments that are financed differently and have different depreciation characteristics and compare our performance against companies with different capital structures and depreciation policies. We also present Adjusted Corporate EBITDA as a supplemental measure because such information is utilized in the determination of certain executive compensation.

Gross EBITDA, Corporate EBITDA and Adjusted Corporate EBITDA are not recognized measurements under U.S. GAAP. When evaluating our operating performance, investors should not consider Gross EBITDA, Corporate EBITDA and Adjusted Corporate EBITDA in isolation of, or as a substitute for, measures of our financial performance as determined in accordance with

GAAP, such as net income (loss) from continuing operations or income (loss) from continuing operations before income taxes.

The following table reconciles income (loss) from continuing operations before income taxes to Gross EBITDA, Corporate EBITDA and Adjusted Corporate EBITDA for the periods presented.

	Year ended December 31,		
	2017	2016	2015
	(in millions of dollars)		
Non-GAAP Reconciliation			
Income (loss) from continuing operations before income taxes	$ (570)	$ (469)	$ 132
Depreciation and amortization	3,038	2,866	2,707
Interest, net of interest income	632	623	599
Gross EBITDA	3,100	3,020	3,438
Revenue earning vehicle depreciation and lease charges, net	(2,798)	(2,601)	(2,433)
Vehicle debt interest	(331)	(280)	(253)
Vehicle debt-related charges[(i)]	32	28	42
Loss on extinguishment of vehicle-related debt[(ii)]	—	6	—
Corporate EBITDA	3	173	794
Non-cash stock-based employee compensation charges[(iii)]	19	13	16
Restructuring and restructuring related charges[(iv)]	20	53	84
Sale of CAR Inc. common stock[(v)]	(3)	(84)	(133)
Impairment charges and asset write-downs[(vi)]	118	340	57
Information technology and finance transformation costs[(vii)]	68	53	—
Other[(viii)]	42	5	40
Adjusted Corporate EBITDA	$ 267	$ 553	$ 858

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

(ii) In 2016, amount represents $6 million of deferred financing costs written off as a result of terminating and refinancing various vehicle debt

(iii) For purposes of this reconciliation, due to the nature of certain costs, $2 million of restructuring and restructuring related costs have been reclassed to non-cash stock-based compensation charges for the twelve months ended December 31, 2017.

(iv) Represents charges incurred under restructuring actions as defined in U.S. GAAP, excluding impairments and asset write-downs, which are shown separately in the table. Also includes restructuring related charges such as incremental costs incurred directly supporting business transformation initiatives. Such costs include transition costs incurred in connection with business process outsourcing arrangements and incremental costs incurred to facilitate business process re-engineering initiatives that involve significant organization redesign and extensive operational process changes. Also includes $5 million, $8 million and $38 million of consulting costs and legal fees related to the previously disclosed accounting review and investigation in 2017, 2016 and 2015, respectively.

(v) Represents the pre-tax gain on the sale of CAR Inc. common stock.

(vi) In 2017, primarily represents an $86 million impairment of the Dollar Thrifty tradenames and an impairment of $30 million related to an equity method investment. In 2016, primarily comprised of a $172 million impairment of goodwill associated with the Company's vehicle rental operations in Europe, a $120 million impairment of the Dollar Thrifty tradenames, a $25 million impairment of certain tangible assets used in the U.S. RAC segment in conjunction with a restructuring program and a $18 million impairment of the net assets held for sale related to the Company's Brazil operations. In 2015, primarily comprised of a $40 million impairment of an international tradename associated with the Company's former equipment rental business, a $6 million impairment of the former Dollar Thrifty headquarters, a $5 million impairment of a building in the U.S. RAC Segment and a $3 million impairment of a corporate asset.

(vii) Represents costs associated with the Company's information technology and finance transformation programs, both of which are multi-year initiatives that commenced in 2016 to upgrade and modernize the Company's systems and processes.

(viii) Represents miscellaneous and non-recurring items. In 2017, primarily comprised of net expenses of approximately $16 million associated with the impact of the hurricanes and charges of $8 million associated with strategic financings, offset by a $6 million gain on the sale of the Company's Brazil Operations and a return of capital from an equity method investment resulting in a $4 million gain. Also includes charges of $5 million relating to PLPD as a result of a terrorist event. For 2016, includes a $9 million settlement gain from an eminent domain case related to one of the Company's airport locations. For 2015, includes a $23 million charge recorded in relation to a French road tax matter, $5 million of costs related to the integration of Dollar Thrifty and $5 million in relocation expenses incurred in connection with the relocation of the Company's corporate headquarters to Estero, Florida.

(c) The credit agreement that governs our Senior RCF, which we entered into in June 2016, permits additional adjustments in calculating covenant compliance, which adjustments are not reflected in our calculation of Adjusted Corporate EBITDA. For the year ended December 31, 2017 and 2016, these additional adjustments totaled approximately $123 million and $(7) million, respectively.

Hertz Holdings Netherlands B.V. ("*HHNBV*")

The following tables present certain consolidated financial information and other data for the business of the Issuer, which includes the following Non-U.S. Subsidiary Guarantors: Hertz Automobielen Nederland B.V., Hertz Autovermietung GmbH, Hertz Belgium BVBA, Hertz Fleet (Italiana) S.r.l., Hertz Fleet Limited, Hertz France SAS, Hertz Italiana S.r.l., Hertz Luxembourg S.à r.l. and Hertz UK Receivables Ltd. The following tables do not present financial information or other data for all of the entities owning assets that constitute European Borrowing Base Assets. This financial information and other data for the business of the Issuer is unaudited. Financial data for the year ended December 31, 2015 has been retrospectively revised to reflect HERC as a discontinued

operation. The following financial data should not be viewed as a substitute for full financial statements of the Issuer prepared in accordance with U.S. GAAP, which would require additional adjustments.

	Year ended December 31,		
	2017	2016	2015
	(in millions of dollars)		
HHNBV Financial Data			
Revenue	$1,753	$1,710	$1,774
Gross EBITDA	501	505	623
Total capital expenditures, net	309	396	515
Total assets	2,742	2,500	2,678

	Year ended December 31,		
Non-GAAP Reconciliation (HHNBV)	2017	2016	2015
	(in millions of dollars)		
Income (loss) before income taxes	$ 54	$ 86	$182
Depreciation and amortization	380	357	367
Interest, net of interest income	67	62	74
Gross EBITDA	$501	$505	$623

European Borrowing Base Group

The following tables present certain unaudited financial information and other data for the business of the European Borrowing Base Group, which initially includes, the Issuer, the Non-U.S. Subsidiary Guarantors, the European Borrowing Base SPEs (including initially, International Fleet Financing No. 2 B.V., RAC Finance S.A.S. and Stuurgroep Fleet (Netherlands) B.V.) and Hertz de España SL (as those preceding defined terms are defined in "*Description of Notes*"). In accordance with the terms of the indenture, the Parent Guarantor or Issuer may designate any Subsidiary of the Parent Guarantor as a member of the European Borrowing Base Group (including any entity organized outside of Europe, but excluding any U.S. entity), at which point any relevant assets of the new member of the European Borrowing Base Group will constitute European Borrowing Base Assets (as defined in "*Description of Notes*").

European Borrowing Base Group Fleet Data

	As of and for the three months ended											
	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
	(unaudited)											
Number of Risk Vehicles[(i)]	39,606	47,024	49,472	40,201	41,985	50,364	53,142	45,085	48,022	55,201	57,350	48,048
Number of Program Vehicles[(ii)]	42,975	67,069	58,058	30,183	44,770	66,651	56,552	27,623	36,807	69,084	58,120	32,185
Average age of vehicles in months[(iii)]	8.6	6.8	8.3	9.9	7.5	6.0	7.4	9.3	7.9	6.5	8.4	10.9

European Borrowing Base Group Borrowing Base Data

	As of and for the three months ended											
	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
						(unaudited)						
						(in thousands of euros)						
Eligible Fleet[iv]	657,180	1,131,195	1,290,444	846,366	764,180	1,179,543	1,376,613	880,015	839,772	1,317,265	1,509,993	973,123
OEM/Dealer Receivables[v]	85,325	34,973	136,549	186,278	115,050	54,785	164,761	173,563	93,674	44,827	197,443	163,362
Customer Receivables[vi]	104,270	129,061	123,353	110,482	105,319	128,222	124,604	106,741	99,268	128,707	137,909	122,977
Net VAT Receivables (Payables)	40,949	113,598	52,388	(3,379)	41,269	124,240	64,001	22,220	57,853	145,101	91,723	21,927
Local Cash	26,445	17,492	33,228	31,850	27,210	60,597	28,492	14,136	18,962	22,945	16,029	15,376
Cash Held at HHNBV	118,660	95,285	63,512	78,740	424,164	179,571	196,744	112,583	66,499	54,756	32,348	103,903
Total Assets	1,032,829	1,521,606	1,699,474	1,250,338	1,477,192	1,726,958	1,955,214	1,309,258	1,176,028	1,713,601	1,985,444	1,400,668
Total Debt	856,467	1,097,533	1,131,639	939,335	915,779	1,145,061	1,412,759	1,089,595	1,046,466	1,299,265	1,342,830	1,113,829

(i) The number of vehicles in the Hertz fleet at the end of the period which it owned and carried on its balance sheet as assets.

(ii) The number of vehicles in the Hertz fleet at the end of the period which were subject to repurchase by car manufacturers under contractual repurchase or guaranteed depreciation programs.

(iii) The weighted average age in months of the vehicles in the Hertz fleet during the period.

(iv) Eligible Fleet represents the net book value of vehicles which are owned by the European Borrowing Base Group or are subject to repurchase by car manufacturers under contractual repurchase or guaranteed depreciation programs.

(v) OEM/Dealer Receivables represents the net receivables due from both dealers and original equipment manufacturers to the European Borrowing Base Group under contractual repurchase or guaranteed depreciation programs.

(vi) Customer Receivables represents receivables owed by corporate customers and businesses to a member of the European Borrowing Base Group.

RISK FACTORS

Our business is subject to a number of significant risks and uncertainties, some of which are described below. The risks and uncertainties described below, however, are not the only risks and uncertainties that we face in our operations. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, results of operations, financial condition, liquidity and cash flows. In such a case, you may lose all or part of your investment in the Notes. In addition to the other information and risks described in Part I, Item 1A in the 2017 10-K, and the other information included or incorporated by reference in this offering memorandum, you should carefully consider each of the following risks and uncertainties. Any of the following risks and uncertainties could materially and adversely affect our business, financial condition, operating results or cash flow and we believe that the following information identifies the material risks and uncertainties affecting our company; however, the following risks and uncertainties are not the only risks and uncertainties facing us and it is possible that other risks and uncertainties might significantly impact us.

Risks Related to Our Business and Industry

Our vehicle rental business is particularly sensitive to reductions in the levels of airline passenger travel, and reductions in air travel could materially adversely affect our results of operations, financial condition, liquidity and cash flows.

The vehicle rental industry is particularly affected by reductions in business and leisure travel, especially with respect to levels of airline passenger traffic. Reductions in levels of air travel, whether caused by general economic conditions, airfare increases (such as due to capacity reductions or increases in fuel costs borne by commercial airlines) or other events (such as work stoppages, military conflicts, terrorist incidents, natural disasters, epidemic diseases, or the response of governments to any of these events) could materially adversely affect us. In particular, we derive a substantial proportion of our revenues from key leisure destinations, including Florida, Hawaii, California, New York and Texas in the U.S. and Europe internationally and the level of travel to these destinations is dependent upon the ability and willingness of consumers to travel on vacation and the effect of economic cycles on consumers' discretionary travel. To the extent travel to these destinations is adversely affected, our results of operations, financial condition, liquidity and cash flows could be materially adversely affected.

We face intense competition that may lead to downward pricing or an inability to increase prices.

The vehicle rental and used-vehicle sale industries are highly competitive and are increasingly subject to substitution. We believe that price is one of the primary competitive factors in the vehicle rental market and that technology has enabled cost-conscious customers, including business travelers, to more easily compare rates available from rental companies. If we try to increase our pricing, our competitors, some of whom may have greater resources and better access to capital than us, may seek to compete aggressively on the basis of pricing. In addition, our competitors may reduce prices in order to, among other things, attempt to gain a competitive advantage, capture market share, or to compensate for declines in rental activity. To the extent we do not match or remain within a reasonable competitive margin of our competitors' pricing, our revenues and results of operations, financial condition, liquidity and cash flows could be materially adversely affected. If competitive pressures lead us to match any of our competitors' downward pricing and we are not able to reduce our operating costs, then our margins, results of operations, financial condition, liquidity and cash flows could be materially adversely affected. See Item 1, "Business—U.S. and International Rental Car Segments—Markets and Competition" in the 2017 10-K, which is incorporated by reference in this offering memorandum.

Our business is highly seasonal and any occurrence that disrupts rental activity during our peak periods could materially adversely affect our results of operations, financial condition, liquidity and cash flows.

Certain significant components of our expenses are fixed in the short-term, including minimum concession fees, real estate taxes, rent, insurance, utilities, maintenance and other facility-related expenses, the costs of operating our information technology systems and minimum staffing costs. Seasonal changes in our revenues do not affect those fixed expenses, typically resulting in higher profitability in periods when our revenues are higher. The second and third quarters of the year have historically been the strongest quarters for our vehicle rental business due to increased levels of leisure travel. Any circumstance, occurrence or situation that disrupts rental activity during these critical periods could have a disproportionately material adverse effect on our results of operations, financial condition, liquidity and cash flows due to a significant change in revenue.

If our management is unable to accurately estimate future levels of rental activity and adjust the number and mix of vehicles used in our rental operations accordingly, our results of operations, financial condition, liquidity and cash flows could suffer.

Because vehicle costs typically represent our single largest expense and vehicle purchases are typically made weeks or months in advance of the expected use of the vehicle, our business is dependent upon the ability of our management to accurately estimate future levels of rental activity and consumer preferences with respect to the mix of vehicles used in our rental operations. To the extent we do not purchase sufficient numbers of vehicles, or the right types of vehicles, to meet consumer demand, we may lose revenue or market share to our competitors. If we purchase too many vehicles, our vehicle utilization could be adversely affected and we may not be able to dispose of excess vehicles in a timely and cost-effective manner. While purchasing program vehicles is useful in managing our seasonal peak demand for vehicles, program vehicles typically cost more than non-program vehicles. As a result, if our management is unable to accurately estimate future levels of rental activity and determine the appropriate mix of vehicles used in our rental operations, including due to changes in the competitive environment or economic factors outside of our control, our results of operations, financial condition, liquidity and cash flows could suffer.

Increased vehicle cost due to declines in the value of the non-program vehicles in our operations could materially adversely affect our results of operations, financial condition, liquidity and cash flows.

Manufacturers agree to repurchase program vehicles at a specified price or guarantee the depreciation rate on the vehicles during a specified time period. To the extent the vehicles in our rental operations are non-program vehicles, we have an increased risk that the net amount realized upon the disposition of the vehicle will be less than its estimated residual value at such time. Any decrease in residual values with respect to our non-program vehicles could result in a substantial loss on the sale of such vehicles or accelerated depreciation while we own the vehicles, which can also materially adversely affect our results of operations, financial condition, liquidity and cash flows.

While program vehicles cost more than comparable non-program vehicles, the use of program vehicles enables us to determine our depreciation expense in advance and this is useful to us because depreciation is a significant cost factor in our operations. Using program vehicles is also useful in managing our seasonal peak demand for vehicles, because in certain cases we can sell certain program vehicles shortly after having acquired them at a higher value than what we could for a similar non-program vehicle at that time. If there were fewer program vehicles in our rental operations, these benefits would diminish and we would bear increased risk related to residual value. In addition, the related depreciation on our vehicles and our flexibility to reduce the number of vehicles used in our rental operations by returning vehicles sooner than originally expected without the risk of loss in the event of an economic downturn or to respond to changes in rental demand would be reduced.

We may fail to respond adequately to changes in technology and customer demands.

In recent years our industry has been characterized by rapid changes in technology and customer demands. For example, industry participants have taken advantage of new technologies to improve vehicle utilization, decrease customer wait times and improve customer satisfaction. Our industry has also seen the entry of new competitors, including transportation network companies, whose businesses are based on emerging mobile platforms and efforts to introduce various types of autonomous vehicles. Our ability to continually improve our current processes and products in response to changes in technology is essential in maintaining our competitive position and maintaining current levels of customer satisfaction. We may experience technical or other difficulties that could delay or prevent the development, introduction or marketing of new products or enhanced product offerings which could materially adversely affect our results of operations, financial condition, liquidity and cash flows.

If we are unable to purchase adequate supplies of competitively priced vehicles and the cost of the vehicles we purchase increases, our results of operations, financial condition, liquidity and cash flows may be materially adversely affected.

The price and other terms at which we can acquire vehicles vary based on commercial, economic, market and other conditions. For example, certain vehicle manufacturers have in the past, and may in the future, utilize strategies to de-emphasize sales to the vehicle rental industry, which can negatively affect our ability to obtain vehicles on competitive terms and conditions. Consequently, there is no guarantee that we can purchase a sufficient number of vehicles at competitive prices and on competitive terms and conditions. If we are unable to obtain an adequate supply of vehicles, or if we obtain less favorable pricing and other terms when we acquire vehicles and are unable to pass on any increased costs to our customers, then our results of operations, financial condition, liquidity and cash flows may be materially adversely affected.

A material downsizing in the number of revenue earning vehicles we own or a change in U.S. tax laws could require us to make additional cash payments for tax liabilities, which could be material.

A material and extended reduction in vehicle purchases and/or a material downsizing in the number of revenue earning vehicles maintained under our like-kind exchange ("*LKE*") program by our U.S. vehicle rental business and Donlen, for any reason, could require us to make material cash payments for U.S. federal and state income tax liabilities. We cannot offer assurance that allowances for the full expensing of purchased revenue earning vehicles in the future will exceed previously deferred tax gains realized upon the disposition of revenue earning vehicles maintained under the LKE Program.

In addition, beginning in 2018, the U.S. Tax Cuts and Jobs Act ("*TCJA*") eliminates the deferral of tax gains on the disposition of revenue earning vehicles maintained under our LKE program, subject to a transition period for property disposed of prior to enactment but replaced subsequent to enactment. While we expect that additional deductions provided by the TCJA for 100% expensing of vehicles purchased after September 27, 2017 and placed in service before December 31, 2022 could offset the previously-deferred tax gains realized upon the disposition of revenue earning vehicles maintained under the LKE Program, we can offer no assurance that these deductions will fully offset tax gains realized upon the disposition of revenue earning vehicles maintained under the LKE Program.

In addition, the TCJA lowers the 100% expensing by 20% per year beginning in 2023, fully eliminating the expensing by 2027. This change could result in the Company being required to make future material cash tax payments on the sales of revenue earning vehicles. We cannot predict if or when legislation would be enacted in the future to allow full or partial expensing of purchasing revenue earning vehicles or to allow deferral of tax gains on the dispositions of revenue earning vehicles. If such

legislation is not adopted, then our results of operations, financial condition, liquidity and cash flows may be materially adversely affected.

The failure of a manufacturer of our program vehicles to fulfill its obligations under a repurchase or guaranteed depreciation program could expose us to losses on those program vehicles and materially adversely affect certain of our financing arrangements, which could in turn materially adversely affect our results of operations, financial condition, liquidity and cash flows.

If any manufacturer of our program vehicles does not fulfill its obligations under its repurchase or guaranteed depreciation agreement with us, whether due to default, reorganization, bankruptcy or otherwise, then we would have to dispose of those program vehicles without receiving the benefits of the associated programs, which would also expose us to residual risk with respect to these vehicles. In addition, we could be left with a substantial unpaid claim against the manufacturer with respect to program vehicles that were sold and returned to the manufacturer but not paid for, or that were sold for less than their agreed repurchase price or guaranteed value.

The failure by a manufacturer to pay such amounts could cause a credit enhancement deficiency with respect to our asset-backed and asset-based financing arrangements, requiring us to either reduce the outstanding principal amount of debt or provide more collateral (in the form of cash, vehicles and/or certain other contractual rights) to the creditors under any such affected arrangement.

If one or more manufacturers were to adversely modify or eliminate repurchase or guaranteed depreciation programs in the future, our access to and the terms of asset-backed and asset-based debt financing could be adversely affected, which could in turn have a material adverse effect on our results of operations, financial condition, liquidity and cash flows.

Manufacturer safety recalls could create risks to our business.

Our vehicles may be subject to safety recalls by their manufacturers. The Raechel and Jacqueline Houck Safe Rental Car Act of 2015 prohibits us from renting vehicles with open federal safety recalls and to repair or address these recalls prior to renting or selling the vehicle. Any federal safety recall with respect to our vehicles would require us to decline renting recalled vehicles until we can arrange for the steps described in the recall to be taken. If a large number of vehicles are the subject of a recall or if needed replacement parts are not in adequate supply, we may not be able to rent recalled vehicles for a significant period of time. These types of disruptions could jeopardize our ability to fulfill existing contractual commitments or satisfy demand for our vehicles, and could also result in the loss of business to our competitors. Depending on the severity of any recall, it could materially adversely affect our revenues, create customer service problems, present liability claims, reduce the residual value of the recalled vehicles and harm our general reputation.

We rely on third-party distribution channels for a significant amount of our revenues.

Third-party distribution channels account for a significant amount of our vehicle rental reservations. These third-party distribution channels include traditional and online travel agencies, third-party internet sites, airlines and hotel companies, marketing partners such as credit card companies and membership organizations and global distribution systems that allow travel agents, travel service providers and customers to connect directly to our reservations systems. Loss of access to any of these channels, changes in pricing or commission structures or a reduction in transaction volume could have an adverse impact on our financial condition or results of operations, liquidity and cash flows, particularly if our customers are unable to access our reservation systems through alternate channels.

If our customers develop loyalty to travel intermediaries rather than our brands, our financial results may suffer.

Certain internet travel intermediaries use generic indicators of the type of vehicle (such as "standard" or "compact") at the expense of brand identification and some intermediaries have launched their own loyalty programs to develop loyalties to their reservation system rather than to our brands. If the volume of sales made through internet travel intermediaries increases significantly and consumers develop stronger loyalties to these intermediaries rather than to our brands, our business and revenues could be harmed. If our market share suffers due to lower levels of customer loyalty, our financial results could suffer.

An impairment of our goodwill, our equity method investments or our indefinite-lived intangible assets could have a material non cash adverse effect on our results of operations.

We review our goodwill and indefinite-lived intangible assets for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. When applicable. we review our investments accounted for under the equity method for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable and recognize an impairment charge when there is a decline in value that is determined to be other than temporary. If events occur that affect key assumptions used in our analysis, then we may be required to record charges for goodwill, equity method investments or indefinite lived intangible asset impairments in the future, which could have a material adverse non cash effect on our results of operations.

Our foreign operations expose us to risks that may materially adversely affect our results of operations, financial condition, liquidity and cash flows.

A significant portion of our annual revenues are generated outside the U.S. Operating in many different countries exposes us to varying risks, which include: (i) multiple, and sometimes conflicting, foreign regulatory requirements and laws that are subject to change and are often much different than the domestic laws in the U.S., including laws relating to taxes, automobile-related liability, insurance rates, insurance products, consumer privacy, data security, employment matters, cost and fee recovery, and the protection of our trademarks and other intellectual property; (ii) the effect of foreign currency translation risk, as well as limitations on our ability to repatriate income; (iii) varying tax regimes, including consequences from changes in applicable tax laws and our ability to repatriate cash from non-U.S. affiliates without adverse tax consequences; (iv) local ownership or investment requirements, as well as difficulties in obtaining financing in foreign countries for local operations; and (v) political and economic instability, natural calamities, war, and terrorism. The effects of these risks may, individually or in the aggregate, materially adversely affect our results of operations, financial condition, liquidity and cash flows.

Our international operations are based in Uxbridge, England and we have significant vehicle rental operations in the United Kingdom and the Eurozone. The United Kingdom held a referendum on June 23, 2016 in which a majority voted for the United Kingdom's withdrawal from the European Union ("*Brexit*"). In order to facilitate Brexit, a process of negotiation will determine the future terms of the United Kingdom's relationship with the European Union. Depending on the terms of Brexit, if any, the United Kingdom could lose access to the single European Union ("*EU*") market and to the global trade deals negotiated by the European Union on behalf of its members. The effects of the Brexit vote and the perceptions as to the impact of the withdrawal of the United Kingdom from the European Union may adversely affect business activity and economic and market conditions in the United Kingdom, the Eurozone and globally, could make it more difficult for us to manage our international operations out of the United Kingdom and could contribute to instability in global

financial and foreign exchange markets. In addition, Brexit could lead to additional political, legal and economic instability in the European Union and within the United Kingdom.

Additionally, operating in many different countries also increases the risk of a violation, or alleged violation, of the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, other applicable anti-corruption laws and regulations, the economic sanction programs administered by the U.S. Treasury Department's Office of Foreign Assets Control and the anti-boycott regulations administered by the U.S. Department of Commerce's Office of Anti-Boycott Compliance. Any failure to comply with these laws, even if inadvertent, could result in significant penalties or otherwise harm the Company's reputation and business. There can be no assurance that all of our employees, contractors and agents will comply with the Company's policies that mandate compliance with these laws. Violations of these laws could be costly and disrupt the Company's business, which could have a material adverse effect on our business, results of operations, financial condition, liquidity and cash flows.

Our business is heavily reliant upon communications networks and centralized information technology systems and the concentration of our systems creates risks for us.

We rely heavily on communication networks and information technology systems to, among other things, accept reservations, process rental and sales transactions, manage our pricing, manage our revenue earning vehicles, manage our financing arrangements, account for our activities and otherwise conduct our business. Our reliance on these networks and systems exposes us to various risks that could cause a loss of reservations, interfere with our ability to manage our vehicles, delay or disrupt rental and sales processes, adversely affect our ability to comply with our financing arrangements and otherwise materially adversely affect our ability to manage our business effectively. Our major information technology systems, reservations and accounting functions are centralized in a few locations worldwide. Any disruption, termination or substandard provision of these services, whether as the result of localized conditions (such as a fire, explosion or hacking), failure of our systems to function as designed, or as the result of events or circumstances of broader geographic impact (such as an earthquake, storm, flood, epidemic, strike, act of war, civil unrest or terrorist act), could materially adversely affect our business by disrupting normal reservations, customer service, accounting and information technology functions or by eliminating access to financing arrangements. Any disruption or poor performance of our systems could lead to lower revenues, increased costs or other material adverse effects on our results of operations, financial condition, liquidity and cash flows.

Failure to maintain, upgrade and consolidate our information technology networks could adversely affect us.

We are continuously upgrading and consolidating our systems, including making changes to legacy systems, replacing legacy systems with successor systems with new functionality and acquiring new systems with new functionality. In addition, we outsource a significant portion of our information technology services. These types of activities subject us to additional costs and inherent risks associated with outsourcing, replacing and changing these systems, including impairment of our ability to manage our business, potential disruption of our internal control structure, substantial capital expenditures, additional administration and operating expenses, retention of sufficiently skilled personnel to implement and operate the new systems, demands on management time, potential delays or disruptions from upgrading and consolidating our systems and other risks and costs of delays or difficulties in transitioning to outsourcing alternatives, new systems or integrating new systems into our current systems. In particular, we currently have material weaknesses in our internal controls associated with (i) user access controls to appropriately segregate duties and restrict privileged access, (ii) monitoring developer access to production and (iii) monitoring critical jobs. See Item 9A, "Controls and Procedures" to our audited annual consolidated financial statements included in the 2017 10-K, which is incorporated by reference into this offering memorandum. Our outsourcing initiatives and system implementations may not result in productivity improvements at a level that outweighs the costs of

implementation, or at all. In addition, the implementation of our outsourcing initiatives and new technology systems may cause disruptions in our business operations and have an adverse effect on our business and operations, if not anticipated and appropriately mitigated and our competitive position may be adversely affected if we are unable to maintain systems that allow us to manage our business in a competitive manner.

The misuse or theft of information we possess, including as a result of cyber security breaches, could harm our brand, reputation or competitive position and give rise to material liabilities.

We regularly possess, process, store and handle non-public information about millions of individuals and businesses, including both credit and debit card information and other sensitive and confidential personal information in the normal course of our business. In addition, our customers regularly transmit confidential information to us via the internet and through other electronic means. Despite the security measures we currently maintain and continuously monitor, our facilities and systems and those of our third-party service providers may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Unauthorized parties may also attempt to gain access to our facilities or systems, or those of third parties with whom we do business, through fraud, trickery, or other forms of deception of our employees or contractors. Many of the techniques used to obtain unauthorized access, including viruses, worms and other malicious software programs, are difficult to anticipate until launched against a target and we may be unable to implement adequate preventative measures. The failure of our information facilities and systems to perform as designed, or the failure to maintain and protect the security of that data, whether as the result of our own error or the malfeasance or errors of others, could substantially harm our reputation, interrupt our operations, result in governmental investigations and give rise to a host of civil or criminal liabilities. For example, in recent years many companies have been subject to high-profile security breaches that involved sophisticated and targeted attacks on the company's infrastructure and the compromise of non-public sensitive and confidential information. These attacks were often not recognized or detected until after the disclosure of sensitive information notwithstanding the preventive and anticipative measures the companies had maintained. Any such failure could lead to lower revenues, increased remediation, prevention and other costs and other material adverse effects on our results of operations, financial condition, liquidity and cash flows.

Cyber security threats in our business environment expose us to risks.

We are continuously exposed to cyber-attacks and other security threats. We regularly, and at least quarterly, assess and review our information infrastructure and cyber security framework to perform a continuous assessment of security threats that could compromise the integrity of our information technology assets and supported business operations. Although we have implemented policies, procedures and controls to protect against, detect and mitigate these threats, we face advanced and persistent attacks on our information infrastructure and attempts by others to gain unauthorized access to our information technology assets are becoming more sophisticated. We actively monitor compliance and respond to security breaches and violations by utilizing procedures that provide for controls on detecting and preventing cyber breaches and communicating information to senior personnel and security representatives that we retain. We also address cyber security threats at third-parties that possess, process, store and handle Hertz data and information to mitigate the risk to us. However, because of the evolving nature and sophistication of these security threats, which can be difficult to detect, there can be no assurance that our policies, procedures and controls have or will detect or prevent all of these threats and we cannot predict the full impact of any such past or future incident. Any such failure by us to effectively enforce and maintain our information infrastructure and cyber security framework may result in substantial harm to our business, including disruptions to operations, loss of intellectual property, release of confidential information, malicious corruption of date, regulatory intervention and sanctions or fines and possible prolonged negative publicity.

Our leases and vehicle rental concessions expose us to risks.

We maintain a substantial network of vehicle rental locations at airports in the U.S. and internationally. Many of these locations are leased and, in the case of airport vehicle rental locations, the subject of vehicle rental concessions where vehicle rental companies are frequently required to bid periodically for the available locations. If we are unable to continue operating these facilities at their current locations due to the termination of leases or vehicle rental concessions, particularly at airports, which comprise a majority of our revenues, our operating results could be adversely affected. In addition, if the costs of these leases increase and we are unable to increase our prices to offset the increased costs, our financial results could suffer.

Maintaining favorable brand recognition is essential to our success, and failure to do so could materially adversely affect our results of operations, financial condition, liquidity and cash flows.

Our business is heavily dependent upon the favorable brand recognition that our "Hertz," "Dollar" and "Thrifty" brand names have in the markets in which they participate. Factors affecting brand recognition are often outside our control, and our efforts to maintain or enhance favorable brand recognition, such as marketing and advertising campaigns, may not have their desired effects. In addition, although our licensing partners are subject to contractual requirements to protect our brands, it may be difficult to monitor or enforce such requirements, particularly in foreign jurisdictions and various laws may limit our ability to enforce the terms of these agreements or to terminate the agreements. Any decline in perceived favorable recognition of our brands could materially adversely affect our results of operations, financial condition, liquidity and cash flows.

Maintaining a coordinated and comprehensive branding and portfolio strategy is essential to our performance.

Our branding and portfolio strategy is designed to align with our strategic aspirations and is intended to sufficiently differentiate across geographies and business units to reach target markets. We continuously evaluate the effectiveness of each of our brands and make efforts to clearly define the identity of each brand as part of our branding and portfolio strategy. Any failure by us to deploy and maintain a coordinated and comprehensive branding and portfolio strategy or a failure of our branding and portfolio strategy to achieve its goals with our customers, may result in substantial harm to our business, including lack of competitive differentiation, customer confusion, conflicting customer perceptions, brand erosion and brand cannibalization. Such harm could materially adversely affect our results of operations, financial condition, liquidity and cash flows.

We may face issues with our union employees.

Labor contracts covering the terms of employment for the Company's union employees in the U.S. (including those in the U.S. territories) are presently in effect under active contracts with local unions, affiliated primarily with the International Brotherhood of Teamsters and the International Association of Machinists. These contracts are renegotiated periodically. Failure to negotiate a new labor agreement when required could result in a work stoppage. Although we believe that our labor relations have generally been good, it is possible that we could become subject to additional work rules imposed by agreements with labor unions, or that work stoppages or other labor disturbances could occur in the future. In addition, our non-union workforce has been subject to unionization efforts in the past, and we could be subject to future unionization, which could lead to increases in our operating costs and/or constraints on our operating flexibility.

The restatement in 2015 of our previously issued financial statements has been time-consuming and expensive and could expose us to additional risks that could materially adversely affect our results of operations, financial condition, liquidity and cash flows.

We have incurred significant expenses, including audit, legal, consulting and other professional fees and lender and noteholder consent fees, in connection with the restatement of our previously issued financial statements and the ongoing remediation of material weaknesses in our internal control over financial reporting. We have taken considerable steps, including adding significant internal resources and implementing necessary additional procedures, in order to strengthen our accounting function and attempt to mitigate the risk of additional misstatements in our financial statements. To the extent these steps are not successful, we could be forced to incur additional time and expense in correcting our internal controls. Our management's attention has also been diverted from the operation of our business due to the restatements and ongoing remediation of material weaknesses in our internal controls.

We are also subject to a number of claims, investigations and proceedings arising out of the misstatements in our financial statements, including an investigation by the New York Regional Office of the SEC. In addition, since June 2016, the Company has had communications with the U.S. Attorney's Office for the District of New Jersey regarding the same or similar events. See the risk factor below under "*The restatement in 2015 of our previously issued financial results has resulted in government investigations and could result in government enforcement actions and private litigation that could have a material adverse impact on our results of operations, financial condition, liquidity and cash flows*."

We have identified material weaknesses in our internal control over financial reporting which could, if not remediated, adversely affect our ability to report our financial condition and results of operations in a timely and accurate manner, which may adversely affect investor confidence in our company and, as a result, the value of our common stock.

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. As further described in Item 9A, "Controls and Procedures" in the 2017 10-K, management identified material weaknesses in our internal control over financial reporting. As a result of the material weaknesses, our management concluded that our internal control over financial reporting was not effective as of December 31, 2017. The assessment was based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. We are actively engaged in remediation activities designed to address the material weaknesses, but our remediation efforts are not complete and are ongoing. If our remedial measures are insufficient to address the material weaknesses, or if additional material weaknesses or significant deficiencies in our internal control are discovered or occur in the future, it may materially adversely affect our ability to report our financial condition and results of operations in a timely and accurate manner. If we are unable to report our results in a timely and accurate manner, we may not be able to comply with the applicable covenants in our financing arrangements, and may be required to seek additional waivers or repay amounts under these financing arrangements earlier than anticipated, which could adversely impact our liquidity and financial condition. Although we continually review and evaluate internal control systems to allow management to report on the sufficiency of our internal controls, we cannot assure you that we will not discover additional weaknesses in our internal control over financial reporting. The next time we evaluate our internal control over financial reporting, if we identify one or more new material weaknesses or are unable to timely remediate our existing weaknesses, we may be unable to assert that our internal controls are effective. If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal controls, we could lose investor confidence in the accuracy

and completeness of our financial reports, which would have a material adverse effect on the price of our common stock and possibly impact our ability to obtain future financing on acceptable terms. We may also lose assets if we do not maintain adequate internal controls.

The restatement in 2015 of our previously issued financial results has resulted in government investigations and could result in government enforcement actions and private litigation that could have a material adverse impact on our results of operations, financial condition, liquidity and cash flows.

We are subject to securities class action litigation relating to our previous public disclosures. In addition, the New York Regional Office of the SEC is currently investigating the events disclosed in certain of our filings with the SEC. A state securities regulator has also requested information and starting in June 2016 we have had communications with the U.S. Attorney's Office for the District of New Jersey regarding the same or similar events. For additional discussion of these matters, see Note 16, "Contingencies and Off-Balance Sheet Commitments," to our audited annual consolidated financial statements included in the 2017 10-K, which is incorporated by reference into this offering memorandum. We could also become subject to private litigation or investigations, or one or more government enforcement actions, arising out of the misstatements in our previously issued financial statements. Our management may be required to devote significant time and attention to these matters, and these and any additional matters that arise could have a material adverse impact on our results of operations, financial condition, liquidity and cash flows. While we cannot estimate our potential exposure in these matters at this time, we have already expended significant amounts investigating the claims underlying and defending this litigation and expect to continue to need to expend significant amounts to defend this litigation.

We may pursue strategic transactions which could be difficult to implement, disrupt our business or change our business profile significantly.

Any future strategic acquisition or disposition of assets or a business could involve numerous risks, including: (i) potential disruption of our ongoing business and distraction of management; (ii) difficulty integrating the acquired business or segregating assets and operations to be disposed of; (iii) exposure to unknown, contingent or other liabilities, including litigation arising in connection with the acquisition or disposition or against any business we may acquire; (iv) changing our business profile in ways that could have unintended negative consequences; and (v) the failure to achieve anticipated synergies.

If we enter into significant strategic transactions, the related accounting charges may affect our financial condition and results of operations, particularly in the case of an acquisition. The financing of any significant acquisition may result in changes in our capital structure, including the incurrence of additional indebtedness. A material disposition could require the amendment or refinancing of our outstanding indebtedness or a portion thereof.

The agreements we entered into in connection with the Spin-Off may distract our management and expose us to claims and liabilities.

The Company and Herc Holdings entered into a separation and distribution agreement and various other agreements to govern the separation of Herc Holdings and the relationship between the two companies going forward. Certain of these agreements provide for the performance of services by the Company for the benefit of Herc Holdings and its subsidiaries for up to three years following the date of the Spin-Off, including with respect to the preparation of financial reports filed with the SEC. Certain of these agreements also impose certain obligations, including indemnification obligations, on Herc Holdings for the benefit of the Company. If Herc Holdings is unable to satisfy its obligations under these agreements, the Company could incur losses. These arrangements could also distract management and lead to disputes between the Company and Herc Holdings over the allocation of assets and liabilities between the Company and Herc Holdings.

If there is a determination that any of the Spin-Off or the internal spin-off transactions completed in connection with the Spin-Off (collectively with the Spin-Off, the "Spin-Offs") is taxable for U.S. federal income tax purposes because the facts, assumptions, representations or undertakings underlying the IRS private letter ruling or tax opinions are incorrect or for any other reason, then Herc Holdings and its stockholders could incur significant U.S. federal income tax liabilities and Hertz Holdings could incur significant liabilities.

In connection with the Spin-Offs, Herc Holdings received a private letter ruling from the Internal Revenue Service (the "*IRS*") to the effect that, subject to the accuracy of and compliance with certain representations, assumptions and covenants, (i) the Spin-Off will qualify as a tax-free transaction under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended (the "*Code*"), and (ii) the internal spin-off transactions will qualify as tax free under Section 355 of the Code. A private letter ruling from the IRS generally is binding on the IRS. However, the IRS ruling did not rule that the Spin-Offs satisfied every requirement for a tax-free spin-off, and Herc Holdings and Hertz Holdings relied solely on opinions of professional advisors to determine that such additional requirements were satisfied. The ruling and the opinions relied on certain facts, assumptions, representations and undertakings from Herc Holdings and Hertz Holdings regarding the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations or undertakings were incorrect or not otherwise satisfied, Herc Holdings and Hertz Holdings, and their affiliates may not be able to rely on the ruling or the opinions of tax advisors and could be subject to significant tax liabilities. Notwithstanding the private letter ruling and opinions of tax advisors, the IRS could determine on audit that the Spin-Offs and related transactions are taxable if it determines that any of these facts, assumptions, representations or undertakings are not correct or have been violated or if it disagrees with the conclusions in the opinions that are not covered by the private letter ruling, or for any other reason, including as a result of certain significant changes in the stock ownership of Herc Holdings or Hertz Holdings after the Spin-Off. If the Spin-Offs or related transactions are determined to be taxable for U.S. federal income tax purposes, Herc Holdings and Hertz Holdings and, in certain cases, their stockholders (at the time of the Spin-Off) could incur significant U.S. federal income tax liabilities, including taxation on the value of the Hertz Holdings stock distributed in the Spin-Off and the value of other companies distributed in the internal Spin-Off transactions, and Hertz Holdings could incur significant liabilities, either directly to the tax authorities or under a Tax Matters Agreement entered into with Herc Holdings.

Some or all of our deferred tax assets could expire if we experience an "ownership change" as defined in Section 382 of the Code.

An "ownership change" could limit our ability to utilize tax attributes, including net operating losses, capital loss carryovers, excess foreign tax carry forwards, and credit carryforwards, to offset future taxable income. Our ability to use such tax attributes to offset future taxable income and tax liabilities may be significantly limited if we experience an "ownership change" as defined in Section 382(g) of the Code. In general, an ownership change will occur when the percentage of Hertz Holdings' ownership (by value) of one or more "5-percent shareholders" (as defined in the Code) has increased by more than 50 percentage points over the lowest percentage of stock owned by such shareholders at any time during the prior three years (calculated on a rolling basis). An entity that experiences an ownership change generally should be subject to an annual limitation on its pre-ownership change tax loss carryforward equal to the equity value of the corporation immediately before the ownership change, multiplied by the long-term, tax-exempt rate posted monthly by the IRS (subject to certain adjustments). The annual limitation accumulates each year to the extent that there is any unused limitation from a prior year. The limitation on our ability to utilize tax losses and credit carryforwards arising from an ownership change under Section 382 depends on the value of our equity at the time of any ownership change. If we were to experience an "ownership change," it is possible that a significant portion of our tax loss carryforwards could expire before we would be able to use

them to offset future taxable income. Many states adopt the federal section 382 rules and therefore have similar limitations with respect to state tax attributes.

We face risks related to liabilities and insurance.

Our businesses expose us to claims for personal injury, death and property damage resulting from the use of the vehicles rented or sold by us, and for employment-related injury claims by our employees. The Company is currently a defendant in numerous actions and has received numerous claims on which actions have not yet been commenced for public liability and property damage arising from the operation of motor vehicles rented from the Company. Currently, we generally self-insure up to $10 million per occurrence in the U.S. and up to $5 million in Europe for vehicle and general liability exposures, $5 million for employment-related injury claims, and we also maintain insurance with unaffiliated carriers in excess of such levels up to $200 million per occurrence for the current policy year, or in the case of international operations outside of Europe, in such lower amounts as we deem adequate given the risks. We cannot assure you that we will not be exposed to uninsured liability at levels in excess of our historical levels resulting from multiple payouts or otherwise, that liabilities in respect of existing or future claims will not exceed the level of our insurance, that we will have sufficient capital available to pay any uninsured claims or that insurance with unaffiliated carriers will continue to be available to us on economically reasonable terms or at all. See Item 1, "Business—Insurance and Risk Management" and Note 16, "Contingencies and Off-Balance Sheet Commitments," to our audited annual consolidated financial statements, in each case included in the 2017 10-K, which is incorporated by reference into this offering memorandum.

We could face a significant withdrawal liability if we withdraw from participation in multiemployer pension plans or in the event other employers in such plans become insolvent and certain multiemployer plans in which we participate are reported to have underfunded liabilities, any of which could have a material adverse effect on our results of operations, financial condition, liquidity or cash flows.

We could face a significant withdrawal liability if we withdraw from participation in one or more multiemployer pension plans or in the event other employers in such plans become insolvent, any of which could have a material adverse effect on our results of operations, financial condition, liquidity or cash flows.

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 consolidated balance sheet. Our withdrawal liability for any multiemployer plan would depend on the extent of the plan's funding of vested benefits. 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 condition, results of operations, liquidity and cash flows. See Note 8, "Employee Retirement Benefits," to our audited annual consolidated financial statements included in the 2017 10-K, which is incorporated by reference into this offering memorandum.

Environmental laws and regulations and the costs of complying with them, or any liability or obligation imposed under them, could materially adversely affect our results of operations, financial condition, liquidity and cash flows.

We are subject to federal, state, local and foreign environmental laws and regulations in connection with our operations, including with respect to the ownership and operation of tanks for the

storage of petroleum products, such as gasoline, diesel fuel and motor and waste oils. We cannot assure you that our tanks will at all times remain free from leaks or that the use of these tanks will not result in significant spills or leakage. If leakage or a spill occurs, it is possible that the resulting costs of cleanup, investigation and remediation, as well as any resulting fines, could be significant. We cannot assure you that compliance with existing or future environmental laws and regulations will not require material expenditures by us or otherwise have a material adverse effect on our consolidated financial condition, results of operations, liquidity or cash flows. See Item 1, "Business—Governmental Regulation and Environmental Matters" included in the 2017 10-K, which is incorporated by reference into this offering memorandum.

The U.S. Congress and other legislative and regulatory authorities in the U.S. and internationally have considered, and will likely continue to consider, numerous measures related to climate change and greenhouse gas emissions. Should rules establishing limitations on greenhouse gas emissions or rules imposing fees on entities deemed to be responsible for greenhouse gas emissions become effective, demand for our services could be affected, our vehicle and/or other costs could increase, and our business could be adversely affected.

Changes in the U.S. legal and regulatory environment that affect our operations, including laws and regulations relating to taxes, automobile-related liability, insurance rates, insurance products, consumer privacy, data security, employment matters, licensing and franchising, used-car sales (including retail sales), cost and fee recovery and the banking and financing industry could disrupt our business, increase our expenses or otherwise have a material adverse effect on our results of operations, financial condition, liquidity and cash flows.

We are subject to a wide variety of U.S. laws and regulations and changes in the level of government regulation of our business have the potential to materially alter our business practices and materially adversely affect our results of operations, financial condition, liquidity and cash flows, including our profitability. Those changes may occur through new laws and regulations or changes in the interpretation of existing laws and regulations.

Any new, or change in existing, U.S. law and regulation with respect to optional insurance products or policies could increase our costs of compliance or make it uneconomical to offer such products, which would lead to a reduction in revenue and profitability. For further discussion regarding how changes in the regulation of insurance intermediaries may affect us, see Item 1, "Business—Insurance and Risk Management" included in the 2017 10-K, which is incorporated by reference into this offering memorandum. If customers decline to purchase supplemental liability insurance products from us as a result of any changes in these laws or otherwise, our results of operations, financial condition, liquidity and cash flows could be materially adversely affected.

Changes in the U.S. and E.U. legal and regulatory environments in the areas of customer and employee privacy, data security, and cross-border data flows could have a material adverse effect on our business, primarily through the impairment of our marketing and transaction processing activities, and the resulting costs of complying with such legal and regulatory requirements. It is also possible that we could encounter significant liability for failing to comply with any such requirements.

We derive revenue through rental activities of the Hertz, Dollar and Thrifty brands under franchise and license arrangements. These arrangements are subject to various international, federal and state laws and regulations that impose limitations on our interactions with counterparties. In addition, the used-vehicle sale industry, including our network of company-operated retail vehicle sales locations, is subject to a wide range of federal, state and local laws and regulations, such as those relating to motor vehicle sales, retail installment sales and related finance and insurance matters, advertising, licensing, consumer protection and consumer privacy. Changes in these laws and regulations that impact our franchising and licensing arrangements or our used-vehicle sales could adversely affect our results.

In most jurisdictions where we operate, we pass-through various expenses, including the recovery of vehicle licensing costs and airport concession fees, to our rental customers as separate charges. We believe that our expense pass-throughs, where imposed, are properly disclosed and are lawful. However, in the event of incorrect calculations or disclosures with respect to expense pass-throughs, or a successful challenge to the methodology we have used for determining our expense pass-through treatment, we could be subject to fines or other liabilities. In addition, we may in the future be subject to potential legislative, regulatory or administrative changes or actions which could limit, restrict or prohibit our ability to separately state, charge and recover vehicle licensing costs and airport concession fees, which could result in a material adverse effect on our results of operations, financial condition, liquidity and cash flows.

Certain proposed or enacted laws and regulations with respect to the banking and finance industries, including the Dodd-Frank Wall Street Reform and Consumer Protection Act (including risk retention requirements) and amendments to the SEC's rules relating to asset-backed securities, could restrict our access to certain financing arrangements and increase our financing costs, which could have a material adverse effect on our results of operations, financial condition, liquidity and cash flows.

Risks Related to Our Substantial Indebtedness

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

As of December 31, 2017, we had debt outstanding of $14.9 billion, exclusive of unamortized debt issuance costs, discounts and premiums. Our substantial indebtedness could materially adversely affect our business. For example, among other situations, 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 or early amortization 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 program 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 "*Description of Certain Indebtedness*."

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 and Industry*."

Our Senior Facilities and our Letter of Credit Facility contain customary events of default, subject to customary cure periods for certain defaults, that include, among others, non-payment defaults,

covenant defaults, material judgment defaults, bankruptcy and insolvency defaults, cross-acceleration of certain other material indebtedness, and inaccuracy of representations and warranties. Upon an event of default thereunder, if not waived by our lenders, our lenders may declare all amounts outstanding as due and payable, which may cause further defaults and/or amortization events under our other debt obligations. The credit agreement governing our Senior Facilities and the credit agreement governing our Letter of Credit Facility require us upon a change of control, as defined therein, to make an offer to repay in full all amounts outstanding thereunder upon such a change of control. Our failure to make such an offer would result in an event of default thereunder. In addition, the indentures governing our Senior Notes and our Senior Second Priority Secured Notes require us upon a change of control, as defined therein, to make an offer to repurchase all of such outstanding Senior Notes and Senior Second Priority Secured Notes at a price equal to 101% of the principal amount, together with any accrued and unpaid interest. If we failed to repurchase the Senior Notes and Senior Second Priority Secured Notes, we would be in default under the related indenture. Certain of our other indebtedness also could result in defaults and/or amortization events upon the occurrence of certain change of control events, as defined therein. If our current lenders accelerate the maturity of their related indebtedness, we may not have sufficient capital available at that time to pay the amounts due to our lenders on a timely basis, and there is no guarantee that we would be able to repay, refinance, or restructure the payments on such debt.

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 number of our revenue earning vehicles; (iii) reduce or delay capital expenditures; (iv) obtain additional equity capital; (v) forgo business opportunities, including acquisitions and joint ventures; or (vi) 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, results of operations, financial condition, liquidity, cash flows, ability to obtain financing and ability to compete in our industry could be materially adversely affected.

Our reliance on asset-backed and asset-based financing arrangements to purchase vehicles subjects us to a number of risks, many of which are beyond our control.

We rely significantly on asset-backed and asset-based financing to purchase vehicles. If we are unable to refinance or replace our existing asset-backed and asset-based financing or continue to finance new vehicle acquisitions through asset-backed or asset-based financing on favorable terms, on a timely basis, or at all, then our costs of financing could increase significantly and have a material adverse effect on our liquidity, interest costs, financial condition, cash flows and results of operations.

Our asset-backed and asset-based financing capacity could be decreased, our financing costs and interest rates could be increased, or our future access to the financial markets could be limited, as a result of risks and contingencies, many of which are beyond our control, including: (i) the acceptance by credit markets of the structures and structural risks associated with our asset-backed and asset-based financing arrangements; (ii) the credit ratings provided by credit rating agencies for our asset-backed indebtedness; (iii) third parties requiring changes in the terms and structure of our asset-backed or asset-based financing arrangements, including increased credit enhancement or required cash collateral and/or other liquid reserves; (iv) the insolvency or deterioration of the financial condition of one or more of our principal vehicle manufacturers; or (v) changes in laws or regulations, including judicial

review of issues of first impression, that negatively affect any of our asset-backed or asset-based financing arrangements.

Any reduction in the value of certain revenue earning vehicles could effectively increase our vehicle costs, adversely affect our profitability and potentially lead to decreased borrowing base availability in our asset-backed and certain asset-based vehicle financing facilities due to the credit enhancement requirements for such facilities, which could increase if market values for vehicles decrease below net book values for those vehicles. In addition, if disposal of vehicles in the used vehicle marketplace were to become severely limited at a time when required collateral levels were rising and as a result we failed to meet the minimum required collateral levels, the principal under our asset-backed and certain asset-based financing arrangements may be required to be repaid sooner than anticipated with vehicle disposition proceeds and lease payments we make to our special purpose financing subsidiaries. If that were to occur, the holders of our asset-backed and certain asset-based debt may have the ability to exercise their right to direct the trustee or other secured party to foreclose on and sell vehicles to generate proceeds sufficient to repay such debt.

The occurrence of certain events, including those described in the paragraph above, could result in the occurrence of an amortization event pursuant to which the proceeds of sales of vehicles that collateralize the affected asset-backed financing arrangement would be required to be applied to the payment of principal and interest on the affected facility or series, rather than being reinvested in our revenue earning vehicles. In the case of our asset-backed financing arrangements, certain other events, including defaults by us and our affiliates in the performance of covenants set forth in the agreements governing certain vehicle debt, could result in the occurrence of a liquidation event with the passing of time or immediately pursuant to which the trustee or holders of the affected asset-backed financing arrangement would be permitted to require the sale of the assets collateralizing that series. Any of these consequences could affect our liquidity and our ability to maintain sufficient levels of revenue earning vehicles to meet customer demands and could trigger cross-defaults under certain of our other financing arrangements.

Substantially all of our consolidated assets secure certain of our outstanding indebtedness, which could materially adversely affect our debt and equity holders and our business.

Substantially all of our consolidated assets, including our revenue earning vehicles and Donlen's lease portfolio, are subject to security interests or are otherwise encumbered for the lenders under our Senior Credit Facilities, asset-backed and asset-based financing arrangements. As a result, the lenders under those facilities would have a prior claim on such assets in the event of our bankruptcy, insolvency, liquidation or reorganization, and we may not have sufficient funds to pay in full, or at all, all of our creditors or make any amount available to holders of our equity. The same is true with respect to structurally senior obligations: in general, all liabilities and other obligations of a subsidiary must be satisfied before the assets of such subsidiary can be made available to the creditors (or equity holders) of the parent entity.

Because substantially all of our assets are encumbered under financing arrangements, our ability to incur additional secured indebtedness or to sell or dispose of assets to raise capital may be impaired, which could have a material adverse effect on our financial flexibility and force us to attempt to incur additional unsecured indebtedness, which may not be available to us.

Restrictive covenants in certain of the agreements and instruments governing our indebtedness may materially adversely affect our financial flexibility or may have other material adverse effects on our business, results of operations, financial condition, liquidity and cash flows.

Certain of our credit facilities, our indentures and other asset-based and asset-backed financing arrangements contain covenants that, among other things, restrict Hertz and its subsidiaries' ability to:

(i) dispose of assets; (ii) incur additional indebtedness; (iii) incur guarantee obligations; (iv) prepay other indebtedness or amend other financing arrangements; (v) pay dividends; (vi) create liens on assets; (vii) sell assets; (viii) make investments, loans, advances or capital expenditures; (ix) make acquisitions; (x) engage in mergers or consolidations; (xi) change the business conducted by us; and (xii) engage in certain transactions with affiliates.

Our Senior RCF and our Letter of Credit Facility subject us to a financial maintenance covenant. Our ability to comply with this covenant will depend on our ongoing financial and operating performance, which in turn are subject to, among other things, the risks identified in "*Risks Related to Our Business*."

The agreements governing our financing arrangements contain numerous covenants. The breach of any of these covenants or restrictions could result in a default under the relevant agreement, which could, in turn, cause cross-defaults under our other financing arrangements. In such event, we may be unable to borrow under the Senior RCF and certain of our other financing arrangements and may not be able to repay the amounts due under such arrangements, which could have a material adverse effect on our business, results of operations, financial condition, liquidity and cash flows.

An increase in interest rates or in our borrowing margin would increase the cost of servicing our debt and could reduce our profitability.

A significant portion of our outstanding debt bears interest at floating rates. As a result, to the extent we have not hedged against rising interest rates, an increase in the applicable benchmark interest rates would increase our cost of servicing our debt and could materially adversely affect our results of operations, financial condition, liquidity and cash flows.

In addition, we regularly refinance our indebtedness. If interest rates or our borrowing margins increase between the time an existing financing arrangement was consummated and the time such financing arrangement is refinanced, the cost of servicing our debt would increase and our results of operations, financial condition, liquidity and cash flows could be materially adversely affected.

Risks Related to the Notes

The Notes will be unsecured and structurally subordinated to some of our obligations, and only certain of our subsidiaries will guarantee the Notes.

The Indenture governing the Notes will permit us to incur certain secured indebtedness, including indebtedness under the Senior Facilities, the Letter of Credit Facility, the Senior Second Priority Secured Notes and the European Revolving Credit Facility and other asset-based and asset-backed financing arrangements. Substantially all of our assets, including our vehicle rental fleet, are subject to security interests or are otherwise encumbered for the lenders under our Senior Facilities, the Letter of Credit Facility, the Senior Second Priority Secured Notes and the European Revolving Credit Facility and other asset-backed and asset-based financing arrangements. The Notes will be unsecured and therefore will not have the benefit of such collateral. Accordingly, if an event of default occurs under the Senior Facilities, the Letter of Credit Facility, the Senior Second Priority Secured Notes and the European Revolving Credit Facility or other asset-backed or asset-based financing arrangements, the respective secured lenders will have a prior right to the subject assets, to the exclusion of the Noteholders, even if we are in default under the Notes. In that event, our assets would first be used to repay in full all indebtedness and other obligations secured by them, resulting in all or a portion of our assets being unavailable to satisfy the claims of the Noteholders and other unsecured indebtedness. Further, if secured lenders foreclose and sell the pledged equity interests in any Guarantor under the Notes, then that guarantor will be released from its guarantee of the Notes automatically and immediately upon the sale.

The Notes will not be guaranteed by any of our non-wholly owned subsidiaries or certain other U.S. and non-U.S. subsidiaries, including the U.S. and foreign financing subsidiaries under our asset-backed financing arrangements and certain other members of the European Borrowing Base Group (collectively, the "*non-Guarantor subsidiaries*"). Payments on the Notes are only required to be made by the Issuer and the Guarantors. Accordingly, claims of Noteholders will be structurally subordinated to the claims of creditors of our non-Guarantor subsidiaries, including trade creditors. All obligations of our non-Guarantor subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon liquidation or otherwise, to the Issuer or a Guarantor of the Notes. Furthermore, many of the non-Guarantor subsidiaries that hold our U.S. and international vehicle rental fleets in connection with asset-backed financing arrangements are intended to be bankruptcy remote and the assets held by them will not be available to our general creditors in a bankruptcy unless and until they are transferred to a non-bankruptcy remote entity. Our unrestricted, non-Guarantors subsidiaries will be permitted to incur additional debt in the future under the Indenture.

As of December 31, 2017, we had consolidated indebtedness of $14.9 billion. See "*Description of Certain Indebtedness*." The Guarantors will guarantee the Issuer's obligations under the Notes. The U.S. Subsidiary Guarantors currently guarantee Hertz's obligations under Senior Facilities, the Letter of Credit Facility, the Senior Second Priority Secured Notes and the Senior Notes and the Issuer's obligations under the European Revolving Credit Facility and the European Vehicle Notes, and the Non-U.S. Subsidiary Guarantors currently guarantee the Issuer's obligations under the European Revolving Credit Facility and the European Vehicle Notes. See "*Description of Certain Indebtedness*" and, for financial information regarding our U.S. Subsidiary Guarantors and our subsidiaries (including the Non-U.S. Subsidiary Guarantors) that do not guarantee Hertz's Senior Facilities, the Letter of Credit Facility, the Senior Second Priority Secured Notes and the Senior Notes for the fiscal year ended December 31, 2017, see Note 21 to the audited annual consolidated financial statements of Hertz included in the 2017 10-K, which is incorporated by reference into this offering memorandum.

Any Subsidiary Guarantor can be released from its obligations as a Guarantor of the Notes if it is released from being a guarantor under various other of the Parent Guarantor's debt instruments.

Any Subsidiary Guarantor will be automatically released as a Guarantor of the Notes as soon as such Guarantor is released from all of its obligations under any guarantees of payment under each of the Senior Facilities and the European Revolving Credit Facility and certain types of refinancing indebtedness of the foregoing indebtedness. See "*Description of Notes—Guarantees and release of Guarantees*."

The Indenture will provide that, under certain circumstances, Non-U.S. Subsidiary Guarantors may resign as Non-U.S. Subsidiary Guarantors and be released from their obligations under the Indenture and their Guarantees, and members of the European Borrowing Base Group may cease to be designated as members of the European Borrowing Base Group.

The Indenture will have a procedure by which any Non-U.S. Subsidiary Guarantor may resign at any time without further consent of the Trustee or the Noteholders and be released from its obligations under the Indenture and its Guarantees and/or any member of the European Borrowing Base Group may cease to be designated as a member of the European Borrowing Base Group; provided that at such time of resignation or cessation of designation and after giving effect thereto, no Event of Default or Default has occurred and is continuing, there is no European Borrowing Base Deficiency and such Guarantor, or person ceasing to be so designated, is released from all of its obligations (if any) under all of its guarantees of payment under each of the Senior Facilities, the European Revolving Credit Facility and the European Vehicle 2021 Notes and certain types of refinancing indebtedness of the foregoing indebtedness. See "*Description of Notes—Resignation and Release of Non-U.S. Subsidiary*

Guarantors and other members of the European Borrowing Base Group." The Indenture will also have a procedure by which Non-U.S. Subsidiary Guarantors may resign at any time without further consent of the Trustee or the Noteholders and be released from their obligations under the Indenture and their Guarantees upon that Non-U.S. Subsidiary Guarantor becoming a Special Purpose Entity. In addition, the Indenture will provide that any Subsidiary Guarantor will be automatically and unconditionally released from all obligations under its Guarantee at any time that any such Subsidiary Guarantor is released from all of its obligations under its guarantee (if any) of payment by the Parent Guarantor of any Indebtedness under the Senior Credit Facility and by the Issuer of any Indebtedness under the European Revolving Credit Facility, and any applicable refinancing credit facility. See "*Description of Notes—Guarantees and Release of Guarantees*."

Not all entities owning assets that constitute European Borrowing Base Assets will be Non-U.S. Subsidiary Guarantors.

The European Borrowing Base Assets (as defined herein) will consist of a defined pool of assets owned by members of the European Borrowing Base Group. However, not all members of the European Borrowing Base Group will be Non-U.S. Subsidiary Guarantors under the Indenture. Therefore, the European Borrowing Base Assets may include assets that are not owned by a Non-U.S. Subsidiary Guarantor. Because the assets that consist of the European Borrowing Base Assets could consist of assets that are not owned by a Non-U.S. Subsidiary Guarantor, and because guarantees from Non-U.S. Subsidiary Guarantors may be released, among other things, if there is no European Borrowing Base Deficiency, there is a possibility that Guarantees from Non-U.S. Subsidiary Guarantors owning a substantial portion of the European Borrowing Base Assets may be released. Under these circumstances, the value of European Borrowing Base Assets not owned by a Non-U.S. Subsidiary Guarantor could be substantial. In addition, in the event of an insolvency, bankruptcy or other similar proceedings of a European Borrowing Base Group member that is not a Non-U.S. Subsidiary Guarantor, the creditors of that entity will receive the proceeds from the sale of such entity's assets (including assets that make up the European Borrowing Base) before any other entities that are not creditors, including the Noteholders. Consequently, you may receive less than those creditors, and may not be fully paid, or may not be paid at all, even when other creditors receive full payment for their claims.

Furthermore, in accordance with the terms of the Indenture, the Parent Guarantor or Issuer may designate any Subsidiary of the Parent Guarantor as a member of the European Borrowing Base Group (including any entity organized outside of Europe, but excluding any U.S. entity), at which point any relevant assets of the new member of the European Borrowing Base Group will constitute European Borrowing Base Assets, without any requirement that such new member of the European Borrowing Base Group is or becomes a Non-U.S. Subsidiary Guarantor.

We may be unable to finance any change of control repurchase offers required by the Indenture. Our inability to do so would result in an event of default under the Indenture.

If we experience a "change of control" (as defined in the Indenture), we will be required to make an offer to purchase all of the outstanding Notes (unless otherwise redeemed) at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest and additional amounts, if any, to but not including the date of purchase. The indentures governing our outstanding Senior Second Priority Secured Notes, Senior Notes and European Vehicle Notes require, and our future indebtedness may also require, such indebtedness to be similarly repurchased upon a change of control. Moreover, the occurrence of the specified events that would constitute a change of control would constitute a default under certain of our existing financing arrangements and may cause the acceleration of other indebtedness, which may rank equally with, or superior to, the Notes. We cannot assure you that we will have sufficient funds to finance our repurchase obligations following such a change of control.

Currently, we expect that we would require third-party financing to make a change of control offer. If we cannot fund a change of control offer in relation to the Notes, we could attempt to arrange debt or equity financing to fund our repurchase obligations. However, we may not be able to do so on favorable terms, or at all. Any failure by us to repurchase the Notes following a change of control will constitute an event of default with respect to the Notes and may cause the acceleration of the Notes or other debt. See "*Description of Notes—Change of Control Triggering Event*" and "*Description of Notes—Certain Covenants*."

Certain corporate events may not trigger a change of control event, in which case we will not be required to redeem the Notes.

The Indenture governing the Notes will permit us to engage in certain significant corporate events, such as leveraged recapitalizations, dispositions and spin-offs, that could increase our indebtedness but would not constitute a "change of control." If we effected a leveraged recapitalization or other such non-change of control transaction that resulted in an increase in indebtedness, our ability to make payments on the Notes would be adversely affected. However, we would not be required to redeem the Notes, and you might be required to continue to hold your Notes, despite our decreased ability to meet our obligations under the Notes.

The definition of "change of control" contained in the Indenture includes a disposition of all or substantially all of our assets. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of our assets. As a result, it may be unclear as to whether a change of control has occurred and whether we are required to make an offer to repurchase the Notes.

The Notes and the Guarantees of the Notes, along with any future Guarantees of the Notes, may be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability, including fraudulent transfer and conveyance statutes.

The Issuer's obligations under the Notes will be guaranteed by the Guarantors. The Notes and certain of the Guarantees may be limited or subordinated in favor of the Issuer's or the Guarantors' existing and future creditors under the laws of The Netherlands, France, Germany, Ireland, Belgium, Italy, Luxembourg, the United Kingdom, the U.S. or a state thereof or any other applicable jurisdiction.

Enforcement of each Guarantee will, where applicable, be limited to the extent of the amount which can be guaranteed or secured by a particular Guarantor without rendering the Guarantee, as it relates to that Guarantor or otherwise ineffective under applicable law. The enforcement of any of the Guarantees against any Guarantor will be subject to certain defenses generally available to Guarantors. These laws and defenses include those that relate to fraudulent conveyance or transfer, insolvency, voidable preference, financial assistance, corporate purpose or benefit, preservation of share capital, thin capitalization and defenses affecting the rights of creditors generally.

For example, if, under relevant federal, state, or other fraudulent transfer and conveyance statutes, in a bankruptcy or reorganization case or a lawsuit by or on behalf of unpaid creditors of an issuer, a court were to find that, at the time the Issuer or any of the Guarantors, as applicable, issued the Notes or incurred the respective Guarantee:

- the Issuer or Guarantor did so with the intent of hindering, delaying or defrauding current or future creditors, or received less than reasonably equivalent value or fair consideration for issuing the Notes or incurring the Guarantee, as applicable;

- the Issuer or Guarantor:
  - was insolvent, or was rendered insolvent, by reason of the incurrence of the indebtedness constituting the Notes or the Guarantee, as applicable;
  - was engaged, or about to engage, in a business or transaction for which its assets constituted unreasonably small capital;
  - intended to incur, or believed that it would incur, debts beyond its ability to pay as such debts matured;
  - was a defendant in an action for money damages, or had a judgment for money damages docketed against it if, in either case, after final judgment the judgment was unsatisfied; or
  - the relevant guarantees were held to exceed the corporate objects of the Guarantor or not to be in the best interests or for the corporate benefit of the Guarantor,

  the court could avoid (cancel) or subordinate the Notes or the applicable Guarantee to presently existing and future indebtedness of the Issuer or the subject Guarantor, and take other action detrimental to the Noteholders including, under certain circumstances, invalidating the Notes or the applicable Guarantee.

The measure of insolvency for purposes of the foregoing considerations will vary depending upon the law of the jurisdiction that is being applied in the relevant legal proceeding. Generally, however, the Issuer or Guarantor would be considered insolvent if, at the time it incurs the indebtedness constituting the Notes or its Guarantee, as applicable,

- the sum of its debts, including contingent liabilities, is greater than its assets, at a fair valuation,
- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing debts and liabilities, including contingent liabilities, as they become absolute and matured, or
- it cannot pay its debts as they become due.

We cannot give you any assurance as to what standards a court would use to determine whether the Issuer or a Guarantor was solvent at the relevant time, or whether, whatever standard was used, the Notes or the applicable Guarantee would not be avoided on another of the grounds described above.

We believe that at the time the Notes are initially issued by the Issuer and the Guarantees are incurred by the Guarantors, the Issuer and each Guarantor will: (i) be neither insolvent nor rendered insolvent thereby; (ii) be in possession of sufficient capital to run their respective businesses; (iii) be incurring debts within their respective abilities to pay as the same mature or become due; and (iv) have sufficient assets to satisfy any probable money judgment against them in any pending action. In reaching these conclusions with respect to the Issuer and each Guarantor, we have relied upon our analysis of internal cash flow projections, which, among other things, make assumptions regarding pricing and utilization levels, business mix and estimated values of assets and liabilities. We cannot assure you, however, that a court passing on such questions would reach the same conclusions. See "*Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*" for more information on certain limitations on the validity and enforceability of the Guarantees for the Notes in certain jurisdictions.

The Notes are subject to restrictions on transfer within the U.S. or to U.S. persons and may be subject to transfer restrictions under the laws of other jurisdictions.

The Notes have not been registered under the Securities Act or any U.S. state securities laws. You may not offer the Notes in the U.S. except pursuant to an exemption from, or a transaction not subject

to, the registration requirements of the Securities Act and applicable state securities laws, or pursuant to an effective registration statement. We have not undertaken to register the Notes or to effect any exchange offer for the Notes in the future. Furthermore, we have not registered the Notes under any other country's securities laws. It is your obligation to ensure that your offers and sales of the Notes within the U.S. and other countries comply with applicable securities laws. See "*Notice to Prospective Investors*."

The Issuer's ability to pay principal and interest on the Notes may be affected by our organizational structure. The Issuer is dependent upon payments from other members of our corporate group to fund payments to you on the Notes, and such other members might not be able to make such payments in some circumstances.

The Issuer does not itself conduct any business operations and does not have any assets or sources of income of its own, other than certain intercompany loans. As a result, the Issuer's ability to make payments on the Notes is dependent directly upon interest or other payments it receives from other members of our corporate group. The ability of other members of our corporate group to make payments to the Issuer will depend upon their cash flows and earnings which, in turn, will be affected by all of the factors discussed in these "*Risk Factors*."

Furthermore, our Senior Facilities, the Letter of Credit Facility, the Senior Second Priority Secured Notes, the Senior Notes and the Issuer's European Revolving Credit Facility and European Vehicle Notes contain certain restrictions on the borrowers thereunder from making certain distributions or payments of capital or income to their members. As a result, the amounts that the Issuer expects to receive from other members of our corporate group may not be forthcoming or sufficient to enable the Issuer to service its obligations on the Notes.

Enforcing your rights as a Noteholder or under the Guarantees across multiple jurisdictions may prove difficult and the insolvency laws of The Netherlands and other local insolvency laws may not be as favorable to you as U.S. bankruptcy laws or those of another jurisdiction with which you are familiar.

The Notes will be issued by the Issuer, a private company with limited liability which is incorporated under the laws of The Netherlands, and will be Guaranteed by the Guarantors, including the Non-U.S. Subsidiary Guarantors. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in Belgium, England and Wales, France, Germany, Ireland, Italy, Luxembourg, The Netherlands or the U.S. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Your rights under the Notes and the Guarantees will be subject to the insolvency and administrative laws of several jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in such complex, multiple bankruptcy, insolvency or similar proceedings.

In addition, the bankruptcy, insolvency, administrative and other laws of the Issuer's and the Non-U.S. Subsidiary Guarantors' jurisdictions of organization may be materially different from, or in conflict with, each other and those of the U.S., including in the areas of rights of creditors, priority of governmental and other creditors and the duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, adversely affect your ability to enforce your rights under the Notes and the Guarantees in these jurisdictions or limit any amounts that you may receive. See "*Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*."

Moreover, the laws of certain of the jurisdictions in which the Guarantors are organized limit the ability of these subsidiaries to guarantee debt of other companies. See "*Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*."

Your rights as a Noteholder will be limited so long as the Notes are issued in book-entry interests.

Owners of the book-entry interests will not be considered owners or Noteholders unless and until definitive notes are issued in exchange for book-entry interests. Instead, Euroclear and Clearstream, or their respective nominees will be the sole holders of the Notes.

Payments of principal, interest and other amounts owing on or in respect of the Notes in global form will be made to Deutsche Bank AG, London Branch, the paying agent, which will make payments to Euroclear and Clearstream. Thereafter, such payments will be credited to Euroclear and Clearstream participants' accounts that hold book-entry interests in the Notes in global form and credited by such participants to indirect participants. After payment to Euroclear and Clearstream, none of the Issuer, the Guarantors, the Trustee or the paying agent will have any responsibility or liability for any aspect of the records relating to or payments of interest, principal or other amounts to Euroclear and Clearstream, or to owners of book-entry interests.

Owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions from Noteholders. Instead, if you own a book-entry interest, you will be reliant on the common depositary (as registered holder of the Notes) to act on your instructions and/or will be permitted to act directly only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream or, if applicable, from a participant. We cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions or to take any other action on a timely basis.

An active trading market may not develop for the Notes, in which case your ability to sell the Notes will be more limited.

The Notes will be new securities for which there currently is no existing market. We cannot assure you as to the liquidity of any market that may develop for the Notes, the ability of holders of the Notes to sell the Notes or the prices at which the Notes may be sold. The liquidity of any market for the Notes will depend on a number of factors, including the number of holders of the Notes, prevailing interest rates, the market for similar securities, general economic conditions, recommendations of securities analysts and our own financial condition, performance and prospects. The Initial Purchasers have informed us that they intend to make a market in the Notes. However, they are not obligated to do so and may discontinue such market-making at any time without notice.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of, and trading market for, the Notes may be subject to such disruptions that cause volatility in prices and may be adversely affected by a general decline in the market for similar securities. Any such disruption may have a negative effect on you, as a holder of the Notes, regardless of our prospects and financial performance.

In addition, the Indenture allows us to issue additional notes under the Indenture in the future, which could adversely impact the liquidity of the Notes.

Although the Issuer intends to apply to list the Notes on the Official List of the Exchange, we cannot assure investors that this application will be approved as of the Issue Date for the Notes or any date thereafter, and settlement of the Notes is not conditioned on obtaining this listing.

As a result of the foregoing, we cannot assure you that an active trading market for the Notes will develop or, if one does develop, that it will be maintained. If no active trading market develops, you may not be able to resell your Notes at a fair value, if at all.

U.S. investors may have difficulty enforcing civil liabilities against us, the members of our board, senior management and experts named in this offering memorandum.

The Issuer is incorporated under the laws of The Netherlands, and the Non-U.S. Subsidiary Guarantors are incorporated under the laws of France, Germany, Ireland, Belgium, Italy, Luxembourg, the Netherlands and the United Kingdom. Some executive officers of the Issuer and the Guarantors are residents of jurisdictions outside the U.S., and most of the assets of the Issuer and the Non-U.S. Subsidiary Guarantors are located outside the U.S. As a result, it may not be possible for you to effect service of process within the U.S. upon these persons or to enforce judgments obtained in U.S. courts based on the civil liability provisions of the U.S. securities laws against such persons. Litigation in non-U.S. jurisdictions is also subject to rules of procedure that differ from the U.S. rules, including with respect to the taking and admissibility of evidence, the conduct of the proceedings and the allocation of costs. Proceedings in non-U.S. jurisdictions may also have to be conducted in a foreign language, and documents submitted to the court may have to be translated into that language.

If the Notes are rated investment grade by both Standard & Poor's and Moody's, certain covenants contained in the Indenture governing the Notes will be terminated.

The Indenture governing the Notes contains certain covenants that will be terminated in the event the Notes are rated Investment Grade by both Standard & Poor's Rating Services ("*S&P*") and Moody's Investors Service, Inc. ("*Moody's*") regardless of any subsequent changes in the ratings of the Notes. These covenants include:

- Limitation on Indebtedness;
- Limitation on Restricted Payments;
- Limitation of Movement of Assets during a European Borrowing Base Deficiency;
- Limitation on Restrictions on Distributions from Restricted Subsidiaries;
- Limitation on Sales of Assets and Subsidiary Stock;
- Future Subsidiary Guarantors; and
- Clause (d) under "—*SEC Reports*" under the "*Description of Notes*."

As a result, under these circumstances we would be able to incur additional indebtedness and consummate transactions that may impair our ability to satisfy our obligations with respect to the Notes. In addition, we would not have to make certain offers to repurchase the Notes.

Changes in respect of the public debt ratings of the Notes may materially and adversely affect the availability, the cost and the terms and conditions of our debt.

The Notes will be, and any of our future debt instruments may be, publicly rated by Moody's and S&P, independent rating agencies. These public debt ratings affect our ability to raise debt. Any future downgrading of the Notes or any other debt instruments we may have at such time by Moody's or S&P may affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

Holders of the Notes will not be entitled to registration rights, and the Notes will not be registered under applicable securities laws. There are restrictions on your ability to transfer or resell the Notes without registration under applicable securities laws.

We are offering the Notes under exemptions from registration under the Securities Act and applicable state securities laws. The Notes have not been, and will not be, registered under the Securities Act. Therefore, you may offer or sell the Notes only pursuant to an exemption from, or in

transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. You will not have the benefit of any exchange or registration rights and may be required to bear the risk of your investment for an indefinite period of time.

The Notes may be affected by changes in tax law in the Issuer's country of incorporation.

This offering memorandum includes a general summary of certain material tax considerations relating to an investment in the Notes issued by the Issuer. Such summary may not apply to a particular holder of Notes and does not cover all possible tax considerations. Potential investors of Notes should be aware that they may be required to pay stamp taxes or other documentary or fiscal charges in accordance with the laws and practices of the country to where the Notes are transferred, including but not limited to a financial transaction tax. Potential investors should be aware that the tax laws and regulations and their application by the relevant taxation authorities may be subject to change. New tax laws or regulations may be introduced with or without retrospective effect and there may be changes in the interpretation and enforcement of such tax laws or regulations. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

On October 10, 2017, the Dutch government published a coalition agreement that, amongst others, announced its intention to introduce a withholding tax on interest to low tax jurisdictions (as of 2021 at the earliest). The coalition agreement does not conclude concrete legislative proposals or further explanatory remarks. Consequently, the exact scope and impact of such a withholding tax cannot be determined yet and are beyond the Issuer's control. If a withholding tax on payments of interest on the Notes is introduced in the Netherlands and as a result of which the Issuer is required to pay Additional Amounts (as defined in "*Description of Notes*"), the Notes may be redeemed at the option of the Issuer. See "*Description of Notes—Redemption for Changes in Taxes.*"

You may face foreign exchange risks or adverse tax consequences by investing in the Notes.

The Notes will be denominated and payable in euros. If you measure your investment returns by reference to a currency other than euro, an investment in the Notes will entail foreign exchange related risks due to, among other factors, possible significant changes in the value of the euro relative to the currency by reference to which you measure the return on your investments, because of economic, political and other factors over which we have no control. Depreciation of the euro against the currency by reference to which you measure the return on your investments could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to you when the return on the Notes is translated into the currency by reference to which you measure the return on your investments. Investment in the Notes may also have important tax consequences as a result of any foreign currency exchange gains or losses. See "*Tax Considerations*."

RESULTS OF OPERATIONS, LIQUIDITY AND CAPITAL EXPENDITURES FOR THE ISSUER

Overview

In the Issuer's international operations, including its European business units (consisting of Hertz's operations in the United Kingdom, France, The Netherlands, Germany, Italy, the Czech Republic, Slovakia, Belgium and Luxembourg), revenue growth of 3% from 2016 to 2017 was largely the result of a strong leisure performance, specifically in our long haul business segment where revenues grew 27%. Revenue declined 4% from 2015 to 2016, primarily as a consequence of the UK business being impacted by exiting certain loss-making accounts, and following industry-wide weakness in 2016 resulting from European terror attacks.

We expect profitable European growth to come from optimizing the mix of revenue and fleet within the corporate countries. We expect that a specific focus on spread margin through RPD improvements including value added services, along with fleet cost reductions, and the optimization of contributions across segments, channels and brands will drive continued improvement in revenue quality. We also continue to develop our brand positioning through Hertz, Firefly and Thrifty, and our value added services to satisfy the rental needs of our customers, with our Hertz 24/7 vehicle sharing program being a key focus going forward.

We have begun the implementation of several technology enhancements across operations, pricing and fleet that have shown a significant improvement in the customer experience, with a number of tools and platforms still to come. We expect these investments to help drive a lower cost structure, and deliver incremental revenues as they become fully deployed.

The international car rental operations that generated the highest volumes of business from our company operated locations for the year ended December 31, 2017 were, in descending order of revenues, those conducted in France, Italy, Germany, the United Kingdom, Spain and The Netherlands. We also have company operated rental locations in Belgium, Luxembourg, the Czech Republic and Slovakia.

Revenue from the Issuer's International Operations

Total revenue for the Issuer decreased from $1,774 million to $1,710 million from the year ended December 31, 2015 to the year ended December 31, 2016, and increased to $1,753 million in the year ended December 31, 2017. The decrease from 2015 to 2016 was primarily a result of the impact of exiting certain loss-making UK accounts, and the 2016 terror attacks throughout Europe. The increase from 2016 to 2017 was primarily a result of a strong leisure performance across Europe offsetting a weaker commercial segment.

Liquidity and Capital Expenditures

Liquidity is managed on a company-wide basis. See Item 7, ''Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources'' contained in the 2017 10-K, which is incorporated by reference in this offering memorandum.

For the year ended December 31, 2017, the Issuer's international operations, including its European business units (consisting of Hertz's operations in the United Kingdom, France, The Netherlands, Germany, Italy, the Czech Republic, Slovakia, Belgium and Luxembourg), had gross fleet capital expenditures of approximately $2.5 billion with the average net book value of the fleet being $2.2 billion for vehicles. Non-vehicle capital expenditures were approximately $19 million in 2015, $12 million in 2016 and $15 million in 2017. The Issuer's international operations, including its European business units, include entities that are not a part of the European Borrowing Base Group.

USE OF PROCEEDS

We expect to receive total gross proceeds of approximately €500 million ($594 million equivalent as of December 31, 2017) from the issuance of the Notes. Hertz intends to use the net proceeds from the issuance of the Notes to redeem all of our outstanding 4.375% Senior Notes Due 2019, which are callable at par plus a make-whole premium (which will be approximately €15 million ($18 million equivalent as of December 31, 2017) based on an assumed redemption date of April 4, 2018), and to use any additional net proceeds to repay borrowings under the European Revolving Credit Facility.

Currently, approximately €425 million ($505 million equivalent as of December 31, 2017) in aggregate principal amount of the 4.375% Senior Notes due 2019 are outstanding. Certain of the Initial Purchasers and/or affiliates of certain of the Initial Purchasers may beneficially own a portion of our outstanding 4.375% Senior Notes Due 2019 and/or may be lenders under our European Revolving Credit Facility, and as a result may receive a portion of the proceeds from this offering as a result of our redemption of the 4.375% Senior Notes Due 2019 and repayment of borrowings under the European Revolving Credit Facility. See "*Plan of Distribution—Relationships with the Initial Purchasers*."

CAPITALIZATION

The following table shows, and the respective footnotes thereto further describe, Hertz's cash and cash equivalents and total capitalization as of December 31, 2017 on an actual basis and as adjusted to reflect the issuance of the Notes offered hereby and the use of the gross proceeds therefrom as described in footnote 3 to the table below. This information should be read in conjunction with our consolidated financial statements and the related notes appearing in the 2017 10-K, which is incorporated by reference in this offering memorandum. See "*Where You Can Find Additional Information*."

(Unaudited) (In millions of dollars)	December 31, 2017 Actual	 As Adjusted
Cash and Cash Equivalents[1]	$ 1,072	$ 1,072
Non-Vehicle Debt		
Senior Term Loan	688	688
Senior RCF	—	—
Senior Notes:		
5.875% Senior Notes due October 2020	700	700
7.375% Senior Notes due January 2021	500	500
6.25% Senior Notes due October 2022	500	500
5.50% Senior Notes due October 2024	800	800
Senior Second Priority Secured Notes	1,250	1,250
Promissory Notes	27	27
Other Non-Vehicle Debt	11	11
Unamortized Debt Issuance Costs and Net (Discount) Premium	(42)	(42)
Total Non-Vehicle Debt	$ 4,434	$ 4,434
Vehicle Debt		
HVF U.S. Vehicle Medium Term Notes		
HVF Series 2010-1 Notes	39	39
HVF Series 2013-1 Notes	625	625
	$ 664	$ 664
HVF II U.S. ABS Program		
HVF II U.S. Vehicle Variable Funding Notes:		
HVF II Series 2013-A[2]	1,970	1,970
HVF II Series 2013-B	123	123
	$ 2,093	$ 2,093
HVF II U.S. Vehicle Medium Term Notes:[2]		
HVF II Series 2015-1	780	780
HVF II Series 2015-2	265	265
HVF II Series 2015-3	371	371
HVF II Series 2016-1	466	466
HVF II Series 2016-2	595	595
HVF II Series 2016-3	424	424
HVF II Series 2016-4	424	424
HVF II Series 2017-1	450	450
HVF II Series 2017-2	350	350
	$ 4,125	$ 4,125
Donlen ABS Program		
HFLF Variable Funding Notes:		
HFLF Series 2013-2	380	380
	$ 380	$ 380

(Unaudited) (In millions of dollars)	December 31, 2017 Actual	 As Adjusted
HFLF Medium Term Notes:		
HFLF Series 2015-1	145	145
HFLF Series 2016-1	318	318
HFLF Series 2017-1	500	500
	$ 963	$ 963
Vehicle Debt—Other		
U.S. Vehicle RCF	186	186
European Revolving Credit Facility[3]	184	113
European Vehicle Notes[3]	773	268
Notes Offered Hereby[3]	—	594
European Securitization	367	367
Canadian Securitization	237	237
Australian Securitization	155	155
New Zealand RCF	42	42
U.K. Financing Facility	251	251
Other Vehicle Debt	51	51
	2,246	2,264
Unamortized Debt Issuance Costs and Net (Discount) Premium[4]	(40)	(40)
Total Vehicle Debt	$10,431	$10,449
Total Debt	$14,865	$14,883
Total Equity	$ 1,520	$ 1,520
Total Capitalization[5]	$16,385	$16,403

(1) "As Adjusted" amount does not reflect fees and other transaction expenses incurred in connection with the offering of Notes hereby or the payment of accrued and unpaid interest in connection with the redemption of the 4.375% Senior Notes Due 2019.

(2) In January 2018, HVF II issued the HVF II Series 2018-1 Notes in an aggregate principal amount of approximately $1.1 billion. Hertz purchased all of the approximately $125.8 million of the Class D Notes and Class RR resulting in $1.0 billion aggregate principal amount issued to third parties and used the proceeds to reduce the outstanding principal amount of the HVF II Series 2013-A Notes.

(3) "As Adjusted" amount reflects the issuance of €500 million ($594 million equivalent as of December 31, 2017) in aggregate principal amount of the Notes offered hereby and the use of the gross proceeds therefrom to redeem all of our outstanding 4.375% Senior Notes Due 2019 (including the payment of the make-whole premium) and the use of any additional net proceeds to repay borrowings under the European Revolving Credit Facility. See "*Use of Proceeds*."

(4) "As Adjusted" amount does not reflect debt issuance costs incurred in connection with the offering of the Notes hereby. Additionally, it does not reflect the write-off of any debt issuance costs associated with the use of proceeds therefrom.

(5) Total Capitalization equals the sum of Total Debt and Total Equity (and excludes Cash and Cash Equivalents).

DESCRIPTION OF CERTAIN INDEBTEDNESS

As of December 31, 2017 and 2016, as applicable, our debt consisted of the following (in millions of dollars):

Facility	Weighted Average Interest Rate at December 31, 2017	Fixed or Floating Interest Rate	Maturity	December 31, 2017	December 31, 2016
Non-Vehicle Debt					
Senior Term Loan	4.32%	Floating	6/2023	$ 688	$ 697
Senior RCF	N/A	Floating	6/2021	—	—
Senior Notes(1)	6.13%	Fixed	10/2020 - 10/2024	2,500	3,200
Senior Second Priority Secured Notes	7.63%	Fixed	6/2022	1,250	—
Promissory Notes	7.00%	Fixed	1/2028	27	27
Other Non-Vehicle Debt	1.94%	Fixed	Various	11	10
Unamortized Debt Issuance Costs and Net (Discount) Premium				(42)	(39)
Total Non-Vehicle Debt				4,434	3,895
Vehicle Debt					
HVF U.S. Vehicle Medium Term Notes:					
HVF Series 2010-1(2)	4.96%	Fixed	2/2018	39	115
HVF Series 2011-1(2)	N/A	N/A	N/A	—	115
HVF Series 2013-1(2)	1.91%	Fixed	8/2018	625	625
				664	855
HVF II U.S. ABS Program					
HVF II U.S. Vehicle Variable Funding Notes:					
HVF II Series 2013-A(2)	2.88%	Floating	3/2020	1,970	1,844
HVF II Series 2013-B(2)	2.77%	Floating	3/2020	123	626
HVF II Series 2017-A(2)	N/A	Floating	10/2018	—	—
				2,093	2,470
HVF II U.S. Vehicle Medium Term Notes:					
HVF II Series 2015-1(2)	2.93%	Fixed	3/2020	780	780
HVF II Series 2015-2(2)	2.45%	Fixed	9/2018	265	250
HVF II Series 2015-3(2)	3.10%	Fixed	9/2020	371	350
HVF II Series 2016-1(2)	2.89%	Fixed	3/2019	466	439
HVF II Series 2016-2(2)	3.41%	Fixed	3/2021	595	561
HVF II Series 2016-3(2)	2.72%	Fixed	7/2019	424	400
HVF II Series 2016-4(2)	3.09%	Fixed	7/2021	424	400
HVF II Series 2017-1(2)	3.38%	Fixed	10/2020	450	—
HVF II Series 2017-2(2)	3.57%	Fixed	10/2022	350	—
				4,125	3,180
Donlen ABS Program					
HFLF Variable Funding Notes:					
HFLF Series 2013-2(2)	2.35%	Floating	3/2020	380	410
				380	410
HFLF Medium Term Notes:					
HFLF Series 2013-3(5)	N/A	N/A	N/A	—	96
HFLF Series 2014-1(5)	N/A	N/A	N/A	—	148
HFLF Series 2015-1(5)	2.22%	Floating	1/2018 - 7/2019	145	248
HFLF Series 2016-1(5)	2.63%	Both	1/2018 - 3/2020	318	385
HFLF Series 2017-1(5)	2.33%	Both	6/2018 - 5/2020	500	—
				963	877
Vehicle Debt—Other					
U.S. Vehicle RCF(3)	4.04%	Floating	6/2021	186	193
European Revolving Credit Facility	2.95%	Floating	1/2019 - 3/2020	184	147
European Vehicle Notes(4)	4.29%	Fixed	1/2019 - 10/2021	773	677
European Securitization(2)	1.70%	Floating	10/2018 - 3/2020	367	312
Canadian Securitization(2)	2.79%	Floating	3/2020	237	162
Australian Securitization(2)	3.25%	Floating	3/2020	155	117
New Zealand RCF	4.50%	Floating	3/2020	42	41
U.K. Financing Facility	2.85%	Floating	1/2018 - 11/2020	251	212
Other Vehicle Debt	3.90%	Floating	1/2018 - 12/2021	51	32
				2,246	1,893
Unamortized Debt Issuance Costs and Net (Discount) Premium				(40)	(39)
Total Vehicle Debt				10,431	9,646
Total Debt				$14,865	$13,541

N/A—Not Applicable

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

Senior Notes	Outstanding Principal (in millions) December 31, 2017	December 31, 2016
4.25% Senior Notes due April 2018	$ —	$ 250
6.75% Senior Notes due April 2019	—	450
5.875% Senior Notes due October 2020	700	700
7.375% Senior Notes due January 2021	500	500
6.25% Senior Notes due October 2022	500	500
5.50% Senior Notes due October 2024	800	800
	$2,500	$3,200

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

(3) Approximately $67 million of the aggregate maximum borrowing capacity under the U.S. Vehicle RCF expired in January 2018.

(4) References to the "*European Vehicle Notes*" include the series of the Issuer's unsecured senior notes (converted from Euros to U.S. dollars at a rate of 1.19 to 1 and 1.04 to 1 as of December 31, 2017 and 2016, respectively) set forth on the table below. Outstanding principal amounts for each such series of the European Vehicle Notes is also specified below:

European Vehicle Notes	Outstanding Principal (in millions) December 31, 2017	December 31, 2016
4.375% Senior Notes due January 2019	$505	$443
4.125% Senior Notes due October 2021	268	234
	$773	$677

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

Non-Vehicle Debt

Senior Facilities

In June 2016,in connection with the Spin-Off, Hertz entered into a credit agreement with respect to a new senior secured term facility (as amended, the "*Senior Term Loan*") with a $700 million initial principal balance and a $1.7 billion senior secured revolving credit facility (as amended, the "*Senior RCF*" and, together with the Senior Term Loan, the "*Senior Facilities*") with a portion of the Senior RCF available for the issuance of letters of credit and the issuance of swing line loans.

The interest rate applicable to the Senior Term Loan is based on a floating rate (subject to a LIBOR floor of 0.75%) that varies depending on Hertz's consolidated total net corporate leverage ratio. The interest rates applicable to the Senior RCF are based on a floating rate that varies depending on Hertz's consolidated total net corporate leverage ratio and corporate ratings.

During 2017, certain terms of the credit agreement governing the Senior Facilities were amended with the consent of the required lenders under such credit agreement. The amendments, among other things, (i) amended the terms of the financial maintenance covenant for the Senior RCF to test, when applicable, Hertz's consolidated first lien net leverage ratio in lieu of Hertz's consolidated total net corporate leverage ratio, (ii) provided that Hertz shall not make dividends and certain restricted

payments unless a leverage ratio test is satisfied, (iii) added a covenant to restrict the incurrence of certain non-vehicle indebtedness which covenant permits the incurrence of additional indebtedness that is junior to the indebtedness under the Senior Facilities to the extent the amount outstanding under the Senior Facilities is less than $2.4 billion, (iv) capped the amount of unrestricted cash that may be netted for purposes of calculating the consolidated first lien net leverage ratio at $500 million unless a specified consolidated total gross corporate leverage ratio is met for a specified period, (v) amended the amortization of the Senior Term Loan such that it will amortize, payable in equal quarterly installments, in annual amounts equal to 2% per annum of the original principal amount of the term loans until the maturity date thereof, and (vi) amended certain financial definitions relating to the foregoing. Additionally, the amendments provided that Hertz may enter into the Letter of Credit Facility (as defined below).

Additionally during 2017, Hertz terminated $533 million of commitments under the Senior RCF, such that after giving effect to such terminations the Senior RCF consists of a $1.167 billion senior secured revolving credit facility.

Senior Notes

During 2017, Hertz redeemed all $250 million of its outstanding 4.25% Senior Notes due April 2018 and all $450 million of its outstanding 6.75% Senior Notes due April 2019.

Hertz's obligations under the indentures for the Senior Notes are guaranteed by each of its direct and indirect U.S. subsidiaries that are guarantors under the Senior Facilities. The guarantees of such Subsidiary Guarantors may be released to the extent such subsidiaries no longer guarantee the Company's Senior Facilities in the U.S.

Senior Second Priority Secured Notes

In June 2017, Hertz issued $1.25 billion in aggregate principal amount of 7.625% Senior Second Priority Secured Notes due 2022 (the "*Senior Second Priority Secured Notes*").

Hertz's obligations under the indentures for the Senior Second Priority Secured Notes are guaranteed by each of its direct and indirect U.S. subsidiaries that are guarantors under the Senior Facilities. The guarantees of such Subsidiary Guarantors may be released to the extent such subsidiaries no longer guarantee the Company's Senior Facilities in the U.S.

Vehicle Debt

For discussion of our vehicle debt (other than our European Revolving Credit Facility and European Vehicle Notes, as described herein), see Note 7, "Debt," to our audited annual consolidated financial statements included in the 2017 10-K, which is incorporated by reference into this offering memorandum.

Vehicle Debt-Other

U.S. Vehicle Revolving Credit Facility

In June 2016, in connection with the Spin-Off, Hertz executed a U.S. Vehicle Revolving Credit Facility of $200 million (the "*U.S. Vehicle RCF*"). Eligible vehicle collateral for the U.S. Vehicle RCF includes retail vehicle sales inventory, certain vehicles in Hawaii and Kansas and other vehicles owned by certain of the Company's U.S. operating companies.

European Vehicle Debt

References to the "*European Vehicle Debt*" include the Issuer's European Revolving Credit Facility and the European Vehicle Notes, collectively. The European Vehicle Debt is the primary vehicle financing for the Company's vehicle rental operations in Germany, Italy, Spain, Belgium and Luxembourg and finances a portion of its assets in the United Kingdom, France and The Netherlands, and may be expanded to provide vehicle financing in Australia, Canada, France, New Zealand, The Netherlands and Switzerland. The agreements governing the European Vehicle Debt contain covenants that apply to the Hertz credit group similar to those for the Senior Notes. The terms of the European Vehicle Debt permit the Issuer to incur additional indebtedness that would be *pari passu* with either the European Revolving Credit Facility or the European Vehicle Notes.

European Revolving Credit Facility

In November 2017, the Issuer amended its credit agreement (the "*European Revolving Credit Facility*") to extend the maturity of €152.5 million aggregate maximum borrowings available (subject to borrowing base availability) under the European Revolving Credit Facility from January 2019 to March 2020. An additional €82.5 million aggregate maximum borrowings available (subject to borrowing base availability) under the European Revolving Credit Facility, which are not subject to the maturity extension described above, will mature in January 2019.

During peak season, the Issuer may also obtain commitments from banks for an accordion facility (the "*Seasonal Revolving Credit Facility*") established under the European Revolving Credit Facility. As of the date hereof, it is intended to amend the Seasonal Revolving Credit Facility such that the aggregate maximum commitments that may be committed by banks under the Seasonable Revolving Credit Facility are increased from €180 million to €205 million (subject to borrowing base availability). Utilizations under the Seasonal Revolving Credit Facility are typically made by the Issuer at the beginning of a peak season and repaid and cancelled at the end of a peak season. The Seasonal Revolving Credit Facility was most recently utilized during the peak season of 2016.

European Vehicle Notes

In November 2013, HHN BV issued the 4.375% Senior Notes due January 2019 in an aggregate original principal amount of €425 million. We expect to redeem the 4.375% Senior Notes due January 2019 with a portion of the proceeds from this offering.

In September 2016, HHN BV issued the 4.125% Senior Notes due October 2021 in an aggregate original principal amount of €225 million.

Maturities

At December 31, 2017, the nominal amounts of maturities of debt for each of the years ending December 31 are as follows:

(in millions)	2018	2019	2020	2021	2022	After 2022
Non-Vehicle Debt	$ 25	$ 14	$ 714	$ 514	$1,764	$1,445
Vehicle Debt	1,697	1,959	5,059	1,406	350	—
Total	$1,722	$1,973	$5,773	$1,920	$2,114	$1,445

The Company is highly leveraged and a substantial portion of its liquidity needs arise from debt service on its indebtedness and from the funding of its costs of operations, acquisitions and capital expenditures. The Company's practice is to maintain sufficient liquidity through cash from operations,

credit facilities and other financing arrangements, to mitigate any adverse impact on its operations resulting from adverse financial market conditions.

At December 31, 2017, approximately $1.7 billion of vehicle debt and $25 million of non-vehicle debt was due to mature in 2018. At December 31, 2017, the Company was in compliance with its financial maintenance covenant under the Senior RCF and the Letter of Credit Facility, see "*—Covenant Compliance*" below.

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

Borrowing Capacity and Availability

Borrowing capacity and availability comes from the Company's "revolving credit facilities," which are a combination of variable funding asset-backed securitization facilities, cash-flow-based revolving credit facilities, asset-based revolving credit facilities and a standalone $400 million letter of credit facility that the Company entered into in 2017 (the "*Letter of Credit Facility*"). Creditors under each such asset-backed securitization facility and asset-based revolving credit facility have a claim on a specific pool of assets as collateral. The Company's ability to borrow under each such asset-backed securitization facility and asset-based revolving credit facility is a function of, among other things, the value of the assets in the relevant collateral pool. With respect to each such asset-backed securitization facility and asset-based revolving credit facility, the Company refers to the amount of debt it can borrow given a certain pool of assets as the borrowing base.

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

The following facilities were available to the Company as of December 31, 2017, and are presented net of any outstanding letters of credit:

(In millions)	Remaining Capacity	Availability Under Borrowing Base Limitation
Non-Vehicle Debt		
Senior RCF	$ 552	$552
Letter of Credit Facility	—	—
Total Non-Vehicle Debt	$ 552	$552
Vehicle Debt		
U.S. Vehicle RCF	14	5
HVF II U.S. Vehicle Variable Funding Notes	1,822	—
HFLF Variable Funding Notes	120	6
European Revolving Credit Facility	95	6
European Securitization	180	—
Canadian Securitization	39	—
Australian Securitization	39	—
U.K. Financing Facility	84	—
New Zealand RCF	—	—
Total Vehicle Debt	$2,393	$ 17
Total	$2,945	$569

Letters of Credit

In November 2017, Hertz entered into a credit agreement with respect to the Letter of Credit Facility. At Hertz's option and subject to certain conditions, Hertz may request the issuing banks party to the Letter of Credit Facility to issue letters of credit for itself and on behalf of certain of Hertz's domestic subsidiaries. The Letter of Credit Facility consists of $400 million of commitments from the issuing banks party thereto. Availability under the Letter of Credit Facility will be limited to an amount equal to the amount of commitments terminated under the Senior RCF. The Letter of Credit Facility will mature on June 30, 2021. As of December 31, 2017, there was no availability under the Letter of Credit Facility and no letters of credit were issued thereunder.

As of December 31, 2017, there were outstanding standby letters of credit totaling $627 million. Such letters of credit have been issued primarily to support the Company's insurance programs, vehicle rental concessions and leaseholds as well as to provide credit enhancement for its asset-backed securitization facilities. Of this amount, $615 million was issued under the Senior RCF and none were issued under the Letter of Credit Facility. As of December 31, 2017, none of the issued letters of credit have been drawn upon.

Special Purpose Entities

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

The Company has a 25% ownership interest in International Fleet Financing No. 2 B.V. ("*IFF No. 2*"), a special purpose entity whose sole purpose is to provide commitments to lend in various

currencies subject to borrowing bases comprised of revenue earning vehicles and related assets of certain of Hertz International, Ltd.'s subsidiaries. IFF No. 2 is a variable interest entity and the Company is the primary beneficiary, therefore, the assets, liabilities, and results of operations of IFF No. 2 are included in the Company's consolidated financial statements. As of December 31, 2017 and 2016, IFF No. 2 had total assets of $524 million and $454 million, respectively, primarily comprised of loans receivable, and total liabilities of $524 million and $454 million, respectively, primarily comprised of debt.

Covenant Compliance

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

Certain of the Company's other debt instruments and credit facilities (including the Senior Facilities and Letter of Credit Facility) 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, share repurchases or making other distributions), create liens, make investments, make acquisitions, engage in mergers, fundamentally change the nature of their business, make capital expenditures or engage in certain transactions with certain affiliates. The Senior RCF and the Letter of Credit Facility contain a financial maintenance covenant that is only applicable to such facilities. This financial covenant and related components of its computation are defined in the credit agreements related to such facilities.

The credit agreements governing the Company's Senior Facilities and Letter of Credit Facility require Hertz upon a change of control, as defined therein, to make an offer to repay in full all amounts outstanding thereunder upon such a change of control. The Company's failure to make such an offer would result in an event of default thereunder. In addition, the indentures governing the Company's Senior Notes and Senior Second Priority Secured Notes require Hertz upon a change of control, as defined therein, to make an offer to repurchase all of such outstanding Senior Notes and Senior Second Priority Secured Notes at a price equal to 101% of the principal amount, together with any accrued and unpaid interest. If Hertz failed to repurchase the Senior Notes and Senior Second Priority Secured Notes, Hertz would be in default under the related indenture. Certain of the Company's other indebtedness also could result in defaults and/or amortization events upon the occurrence of certain change of control events, as defined therein.

The financial covenant provides that Hertz's consolidated first lien net leverage ratio, as defined in the credit agreements governing the Senior RCF and the Letter of Credit Facility, as of the last day of any fiscal quarter following and including fiscal quarter ending December 31, 2017 (the "*Covenant Leverage Ratio*"), may not exceed a ratio of 3.00 to 1.00. As of December 31, 2017, Hertz was in compliance with the Covenant Leverage Ratio.

Cash Restrictions

Certain amounts of cash and cash equivalents are restricted for the purchase of revenue earning vehicles and other specified uses under the Vehicle Debt facilities and the LKE Program. As of December 31, 2017 and 2016, the portion of total restricted cash and cash equivalents that was associated with the Vehicle Debt facilities was $386 million and $235 million, respectively. Restricted cash balances fluctuate based on the timing of purchases and sales of revenue earning vehicles.

DESCRIPTION OF NOTES

General

The % Senior Notes due 2023 offered hereby (the "*Notes*") will be issued under and governed by the indenture, to be dated as of , 2018 (as amended, supplemented, waived or otherwise modified, the "*Base Indenture*"), among Hertz Holdings Netherlands B.V. (the "*Issuer*"), The Hertz Corporation (the "*Parent Guarantor*"), the Subsidiary Guarantors from time to time party thereto (together with the Parent Guarantor, the "*Guarantors*"), Wilmington Trust, National Association, as trustee (the "*Trustee*"), Deutsche Bank AG, London Branch, as paying agent and Deutsche Bank Luxembourg S.A., as registrar and transfer agent and the first supplemental indenture thereto (together with the Base Indenture, the "*Indenture*"). The Notes offered hereby will vote as a single class and will be treated as "Notes" for all purposes under the Indenture.

The Indenture and the Notes will contain provisions that define your rights and govern the obligations of the Issuer and the Guarantors under the Notes. The Indenture will not be qualified under, subject to or otherwise contain certain provisions of the Trust Indenture Act of 1939, as amended, by reference to or otherwise. Copies of the forms of the Indenture and the Notes will be made available to prospective purchasers of the Notes upon request, when available.

The following is a summary of certain provisions of the Indenture and the Notes. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Indenture and the Notes. The term "*Issuer*" refers only to Hertz Holdings Netherlands B.V. and not to any of its Subsidiaries, and the term "*Parent Guarantor*" refers only to The Hertz Corporation and not to any of its Subsidiaries. The capitalized terms defined in "*—Certain Definitions*" below are used in this "*Description of Notes*" as so defined, except as otherwise provided herein. Any reference to "*Notes*" or a "*class*" of Notes in this "*Description of Notes*" refers to the Notes as a single class.

Brief Description of the Notes

The Notes will be:

- unsecured Senior Indebtedness of the Issuer;
- effectively subordinated to all secured Indebtedness and other secured obligations of the Issuer to the extent of the value of the assets securing such secured Indebtedness or other secured obligations, and to all Indebtedness and other obligations (including Trade Payables) of the Parent Guarantor's Subsidiaries (other than the Issuer and Subsidiaries that are or become Subsidiary Guarantors pursuant to the provisions described below under "*—Guarantees and Release of Guarantors*");
- *pari passu* in right of payment with all existing and future Senior Indebtedness of the Issuer; and
- senior in right of payment to all existing and future Subordinated Obligations of the Issuer.

Brief Description of the Guarantees

The Guarantee of the Parent Guarantor and each Subsidiary Guarantor in respect of the Notes will be:

- unsecured Senior Indebtedness of such Guarantor;
- effectively subordinated to all secured Indebtedness and other secured obligations of such Guarantor to the extent of the value of the assets securing such secured Indebtedness or other secured obligations, and to all Indebtedness and other obligations (including Trade Payables) of the Subsidiaries of such Guarantor (other than the Issuer and Subsidiaries that are or become

Subsidiary Guarantors pursuant to the provisions described below under "*—Guarantees and Release of Guarantors*");

- *pari passu* in right of payment with all existing and future Senior Indebtedness of such Guarantor; and
- senior in right of payment to all existing and future Subordinated Obligations of the Parent Guarantor and Guarantor Subordinated Obligations of each Subsidiary Guarantor.

The obligations of the Guarantors under their Guarantees will be limited as necessary to recognize certain limitations imposed due to local law and defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law. See "*Risk Factors—Risks Related to the Notes—The Notes and the Guarantees of the Notes, along with any future Guarantees of the Notes, may be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability, including fraudulent transfer and conveyance statutes*" and "*Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*."

Principal, Maturity and Interest

The Notes will mature on , 2023. Each Note offered hereby will bear interest at the rate per annum shown on the front cover of this offering memorandum from , 2018 or from the most recent interest payment date to which interest has been paid or provided for.

Interest on the Notes offered hereby will be payable semiannually in cash to Holders of record at the close of business on the or immediately preceding the interest payment date, in arrears, on and of each year, commencing on , 2018. Interest will be paid on the basis of a 360-day year consisting of twelve 30-day months.

The Notes offered hereby will be issued initially in an aggregate principal amount of €500 million. Subject to the limitations set forth under "*—Certain Covenants—Limitation on Indebtedness,*" additional securities may be issued under the Indenture in one or more series from time to time (as more particularly defined in the Indenture, "*Additional Notes*"), which will vote as a single class with the Notes (except as otherwise provided herein) and otherwise be treated as Notes for purposes of the Indenture. The Indenture will permit the Issuer to designate the maturity date, interest rate and optional redemption provisions applicable to each series of Additional Notes, which may differ from the maturity date, interest rate and optional redemption provisions applicable to the initial Notes issued on the Issue Date. Additional Notes that differ with respect to maturity date, interest rate or optional redemption provisions from the initial Notes issued on the Issue Date will constitute a different series of Notes from such initial Notes. Additional Notes that have the same maturity date, interest rate and optional redemption provisions as the initial Notes issued on the Issue Date will be treated as the same series as such initial Notes unless otherwise designated by the Issuer; *provided*, *however*, if such Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, such Additional Notes shall have a separate CUSIP or ISIN number from the Notes. The Issuer similarly will be entitled to vary the application of certain other provisions to any series of Additional Notes.

Other Terms

Principal of, and premium, if any, and interest and Additional Amounts (as defined under "*—Additional Amounts*" below), if any, on the Notes will be payable, and the Notes may be exchanged or transferred, at the office or agency of the Issuer maintained for such purposes (which initially shall be the designated office of the Paying Agent for payments of principal, premium, if any, interest and

Additional Amounts, if any, and the Registrar for transfers and exchanges), except that, at the option of the Issuer, payment of interest may be made by wire transfer of immediately available funds to the account designated to the Issuer by the Holder entitled thereto or by check sent to the address of the registered Holders of the Notes as such address appears in the applicable note register required to be kept pursuant to the Indenture (the "*Note Register*").

The Notes will be issued in the form of global notes that will be deposited upon issuance with the common depositary for Euroclear and Clearstream, and purchasers of Notes will not receive or be entitled to receive physical certificated Notes (except in the very limited circumstances described herein). The Notes will be issued only in fully registered form, without coupons. The Notes will be issued only in minimum denominations of €100,000 (the "*Minimum Denomination*") and any integral multiple of €1,000 in excess thereof.

We may at any time and from time to time purchase Notes in the open market or otherwise.

The Issuer intends to apply to The International Stock Exchange Authority Limited (the "*Authority*") for the Notes to be listed on the Official List of The International Stock Exchange (the "*Exchange*"). There can be no assurance that the application to list the Notes on the Official List of the Exchange will be approved and settlement of the Notes is not conditioned on obtaining such listing.

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents (each, a "*Paying Agent*") for the Notes in London, United Kingdom. The initial sole Paying Agent will be Deutsche Bank AG, London Branch in London.

The Issuer will also maintain one or more registrars (each, a "*Registrar*") and a transfer agent. The initial Registrar will be Deutsche Bank Luxembourg S.A., and the initial transfer agent will be Deutsche Bank Luxembourg S.A. The current address of Deutsche Bank Luxembourg S.A. is 2, boulevard Konrad Adenauer, L 1115 Luxembourg. The Registrar, transfer agent and Paying Agent, as applicable, will maintain a register reflecting ownership of Physical Notes outstanding from time to time and will make payments on and facilitate transfers of Physical Notes on behalf of the Issuer.

The Issuer may change the Paying Agent, the Registrar or the transfer agent without prior notice to the Holders.

Optional Redemption

The Notes offered hereby will be redeemable, at the Issuer's option, at any time prior to maturity at varying redemption prices in accordance with the applicable provisions set forth below.

The Notes will be redeemable, at the Issuer's option, in whole or in part, at any time and from time to time on and after , 2020, and prior to maturity thereof at the applicable redemption price set forth below. The Notes will be so redeemable at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and Additional Amounts, if any, to the relevant Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date), if redeemed during the 12-month period commencing on , 2020 of the years set forth below:

Redemption Period	Price
2020	%
2021	%
2022 and thereafter	100.00%

In addition, the Indenture will provide that at any time and from time to time on or prior to , 2020 the Issuer at its option may redeem the Notes offered hereby in an aggregate principal amount equal to up to 40.0% of the original aggregate principal amount of the Notes (including the principal amount of any Additional Notes of the same series), with funds in an aggregate amount (the "*Redemption Amount*") not exceeding the aggregate proceeds of one or more Equity Offerings (as defined below), at a redemption price (expressed as a percentage of principal amount thereof) of %, plus accrued and unpaid interest and Additional Amounts, if any, to the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date); *provided, however*, that if the Notes are redeemed pursuant to this paragraph, an aggregate principal amount of the Notes equal to at least 50.0% of the original aggregate principal amount of the Notes (including the principal amount of any Additional Notes of the same series) must remain outstanding immediately after each such redemption of the Notes. Any amount payable in any such redemption may be funded from any source (including amounts in excess of the Redemption Amount). Any notice of any such redemption may be given prior to the completion of the related Equity Offering, but in no event may be given more than 180 days after the completion of the related Equity Offering. "*Equity Offering*" means a sale of Capital Stock (x) that is a sale of Capital Stock of the Parent Guarantor (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 Parent Guarantor and/or any of its Restricted Subsidiaries.

In addition, at any time prior to , 2020, the Notes may also be redeemed (by the Issuer or any other Person), in whole or in part, at the Issuer's option, at a price (the "*Redemption Price*") equal to 100.0% of the principal amount thereof plus the Applicable Premium (as defined below) as of, and accrued but unpaid interest and Additional Amounts, if any, to, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date).

"*Applicable Premium*" means, with respect to a Note at any Redemption Date, the greater of (i) 1.0% of the principal amount of such Note and (ii) the excess of (A) the present value at such Redemption Date, calculated as of the date of the applicable redemption notice, of (1) the redemption price of such Note on , 2020 (such redemption price being that described in the second paragraph of this "*Optional Redemption*" section) 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 Bund Rate plus 50 basis points, over (B) the principal amount of such Note on such Redemption Date, as calculated by the Issuer in good faith (which calculation shall be conclusive) or on behalf of the Issuer by such Person as the Issuer shall designate; *provided* that such calculation shall not be a duty or obligation of the Trustee or Paying Agent.

"*Bund Rate*" means, with respect to a Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such Redemption Date, where:

(1) "*Comparable German Bund Issue*" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such Redemption Date to , 2020 and that (in the good faith judgment of the Issuer, which shall be conclusive) would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to , 2020; *provided, however*, that, if the period from such Redemption Date to , 2020 is not equal to the fixed maturity of the German

Bundesanleihe security selected by such Reference German Bund Dealer, the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German Bundesanleihe securities for which such yields are given, except that if the period from such Redemption Date to , 2020 is less than one year, a fixed maturity of one year shall be used;

(2) "*Comparable German Bund Price*" means, with respect to any Redemption Date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(3) "*Reference German Bund Dealer*" means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and

(4) "*Reference German Bund Dealer Quotations*" means, with respect to each Reference German Bund Dealer and any Redemption Date, the average as determined by the Issuer in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3.30 p.m. Frankfurt am Main, Germany, time on a day no earlier than the third Business Day preceding the date of the delivery of the redemption notice in respect of such Redemption Date.

Notwithstanding the foregoing, in connection with any tender for any series of Notes, if Holders of not less than 90.0% in the aggregate principal amount of the outstanding Notes of such series validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any other Person making such tender offer, purchases all of the Notes of such series validly tendered and not withdrawn by such Holders, all of the Holders of the Notes will be deemed to have consented to such tender offer and, accordingly, the Issuer will have the right, upon notice given not more than 30 days following such purchase pursuant to such tender offer, to redeem all of the Notes of such series that remain outstanding following such purchase at a price in cash equal to the price offered to each Holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest to, but excluding the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date).

Any redemption of Notes may be made upon notice sent electronically or, at the Issuer's option, mailed by first class mail to each Holder's registered address, not less than 10 nor more than 60 days prior to the Redemption Date, except that a redemption notice (other than pursuant to the preceding paragraph) may be delivered more than 60 days prior to the Redemption Date if such notice is issued in connection with legal or covenant defeasance of the Issuer's obligations or a satisfaction and discharge of the Indenture, or if the Redemption Date is delayed as provided for in the following paragraph. The Issuer may provide in any redemption notice that the payment of the redemption price and the performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

Any redemption of Notes (including in connection with an Equity Offering) or notice thereof may, at the Issuer's discretion, be subject to the satisfaction (or, waiver by the Issuer in its sole discretion) of one or more conditions precedent, which may include consummation of any related Equity Offering or the occurrence of a Change of Control or a Change of Control Triggering Event. If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's sole and absolute discretion, the Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole and absolute discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such

conditions shall not have been (or, in the Issuer's sole and absolute determination, may not be) satisfied (or waived by the Issuer in its sole and absolute discretion) by the Redemption Date, or by the Redemption Date so delayed.

Redemption for Changes in Taxes

The Issuer may redeem the Notes, in whole but not in part, at its discretion at any time upon giving not less than 10 nor more than 60 days' prior notice to the Holders (which notice will be irrevocable and given in accordance with the procedures described in "*—Selection and Notice*"), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest and Additional Amounts, if any, to the date fixed by the Issuer for redemption (a "*Tax Redemption Date*") (subject to the right of Holders on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Tax Redemption Date in respect thereof), if the Issuer determines that the relevant Payor (defined below) is, or on the next interest payment date with respect to the Notes, would be, required to pay Additional Amounts (but if the relevant Payor is a Guarantor, then only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor without the obligation to pay Additional Amounts), and the relevant Payor cannot avoid any such payment obligation by taking reasonable measures available to it (including making payment through a Paying Agent located in another jurisdiction), as a result of:

(a) any change in, or amendment to, the laws or treaties (or any regulations, or rulings promulgated thereunder) of a Tax Jurisdiction (as defined below) affecting taxation; or

(b) any change in, or amendment to, the existing official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice) (each of the foregoing in clauses (a) and (b), a "*Change in Tax Law*").

The Change in Tax Law must become effective on or after the date of the Indenture (or, if the Tax Jurisdiction has become a Tax Jurisdiction after the date of the Indenture, the date on which the Tax Jurisdiction became a Tax Jurisdiction under the Indenture). The Issuer will not give any such notice of redemption earlier than 90 days prior to the earliest date on which the relevant Payor would be obligated to make such payment of Additional Amounts. Prior to the publication or, where relevant, sending of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee and the Paying Agent an Officer's Certificate certifying that the Payor cannot avoid the obligation to pay Additional Amounts by taking reasonable measures available to it and an opinion of independent counsel of recognized standing to the effect that there has been a Change in Tax Law. The Trustee and the Paying Agent shall accept and be entitled to rely on such Officer's Certificate and opinion of counsel as sufficient evidence of satisfaction of the conditions precedent described above in which event it will be conclusive and binding on all Holders.

Selection and Notice

In the case of any partial redemption, selection of the Notes for redemption will be made in compliance with the procedures and requirements of the depositories and in compliance with the requirements of the relevant securities exchange, if any, or if the Notes are not so listed or the principal securities exchange prescribes no method of selection and the Notes are not held through a depository or the depositories prescribes no method of selection, then selection of the Notes for redemption will be made by the Registrar on a pro rata basis, by lot or by such other method as certified to the Trustee and the Registrar by the Issuer, in integral multiples of €1,000, although no Note less than the Minimum Denomination in original principal amount will be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the

unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original Note. Neither the Trustee nor the Registrar shall be liable for selections made in accordance with this paragraph (or if the Note is a global note, an adjustment shall be made to the schedule attached thereto).

For Notes which are represented by global certificates held on behalf of Euroclear or Clearstream, notices may be given by delivery of the relevant notices to Euroclear or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing.

Resignation and Release of Non-U.S. Subsidiary Guarantors and Other Members of the European Borrowing Base Group

The Indenture will provide that: (i) any Non-U.S. Subsidiary Guarantor may resign at any time without any further consent of the Trustee or the Holders at which time such Non-U.S. Subsidiary Guarantor will automatically and unconditionally be released from all obligations under the Indenture and its Guarantee, and such Guarantee shall thereupon terminate and be discharged and of no further force or effect; (ii) the Parent Guarantor may designate any member of the European Borrowing Base Group (other than the Issuer) as not part of the European Borrowing Base Group and all relevant assets of such member of the European Borrowing Base Group will not constitute European Borrowing Base Assets at which time such entity will no longer be a member of the European Borrowing Base Group; and (iii) the Parent Guarantor may designate a European Borrowing Base SPE as not a European Borrowing Base SPE and all relevant assets of such a European Borrowing Base SPE will not constitute European Borrowing Base Assets at which time such entity will no longer be a member of the European Borrowing Base Group; *provided* that in each case at such time and after giving effect to such resignation or designation:

(a) the Non-U.S. Subsidiary Guarantor has been released (or, substantially concurrently with such resignation or designation, will be released) from all of its obligations under its Guarantee (if any) of payment (x) by the Parent Guarantor of any Indebtedness under the Senior Credit Facility (and any applicable Refinancing Credit Facility) and by the Issuer of any Indebtedness under the European Revolving Credit Facility (and any applicable Refinancing Credit Facility) and (y) by the Issuer of any Indebtedness under the European Vehicle 2021 Notes (and any Refinancing Indebtedness of the Issuer Incurred to refinance the European Vehicle 2021 Notes), 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 the covenant described under "*—Certain Covenants—Future Subsidiary Guarantors*";

(b) there is not a European Borrowing Base Deficiency; and

(c) no Default or Event of Default has occurred and is continuing under the Indenture.

Guarantees and Release of Guarantors

The Notes will be guaranteed by each of the Guarantors. Not all of the members of the European Borrowing Base Group will be Guarantors, although their assets will be used to determine whether or not there is a European Borrowing Base Deficiency. In addition, the Parent Guarantor will cause, subject to certain limitations, each Restricted Subsidiary of the Parent Guarantor that becomes a guarantor of the Senior Credit Facility or the European Revolving Credit Facility to execute and deliver to the Trustee a supplemental indenture or other instrument pursuant to which such Restricted Subsidiary will guarantee payment of the Notes, whereupon such Restricted Subsidiary will become a Subsidiary Guarantor for all purposes under the Indenture. In addition, the Parent Guarantor may, at its option, elect to cause any Subsidiary that is not a Subsidiary Guarantor to so guarantee payment of the Notes and become a Subsidiary Guarantor.

Each Guarantor, 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 Issuer under the Indenture and the Notes, whether for principal of or interest on the Notes, expenses, indemnification or otherwise (all such obligations guaranteed by such Guarantors being herein called the "*Guaranteed Obligations*"). Such Guarantor will agree to pay, in addition to the amount stated above, 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 Guarantee.

The obligations of each Guarantor will be limited to the maximum amount, as will, after giving effect to all other contingent and fixed liabilities of such Guarantor (including 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 Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to its contribution obligations under the Indenture, result in the obligations of such Guarantor under the Guarantee not constituting a fraudulent conveyance or fraudulent transfer under applicable law, a breach of applicable capital preservation rule, or being void or unenforceable under any law relating to insolvency of debtors. See "*Risk Factors—Risks Related to the Notes—The Notes and the Guarantees of the Notes, along with any future Guarantees of the Notes, may be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability, including fraudulent transfer and conveyance statutes*" and "*Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*."

Each such Guarantee shall be a continuing Guarantee and shall (i) 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 Guaranteed Obligations then due and owing unless earlier terminated as described below, (ii) be binding upon such Guarantor and (iii) inure to the benefit of and be enforceable by the Trustee, the Holders and their permitted successors, transferees and assigns.

Notwithstanding the preceding paragraph and in addition to the release of Non-U.S. Subsidiary Guarantors set forth above under the caption entitled "*—Resignation and Release of Non-U.S. Subsidiary Guarantors and Other Members of the European Borrowing Base Group*," any Subsidiary Guarantor will automatically and unconditionally be released from all obligations under its Guarantee, and such 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 such Subsidiary Guarantor or any interest therein, or any other transaction, in accordance with the terms of the Indenture (including the covenants described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" and "*—Merger and Consolidation*") following which such Subsidiary Guarantor is no longer a Restricted Subsidiary of the Parent Guarantor, (ii) at any time that any such Subsidiary Guarantor is (or, substantially concurrently with the release of the Subsidiary Guarantee of such Subsidiary Guarantor or if as a result of the release of the Subsidiary Guarantee of such Subsidiary Guarantor, will be) released from all of its obligations under its Guarantee (if any) of payment by the Parent Guarantor of any Indebtedness under the Senior Credit Facility and by the Issuer of any Indebtedness under the European Revolving Credit Facility, and any applicable 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 the covenant described under *"—Certain Covenants—Future Subsidiary Guarantors*"), (iii) upon the merger or consolidation of any such Subsidiary Guarantor with and into the Issuer or another 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 Issuer or another Guarantor, (iv) concurrently with any such Subsidiary Guarantor becoming an Unrestricted

Subsidiary, (v) at any time after the Termination Date (as defined below under "*—Certain Covenants—Termination of Certain Covenants*"), upon the merger or consolidation of any Subsidiary Guarantor with and into another Subsidiary of the Parent Guarantor that is not the Issuer or a Guarantor with such other Subsidiary 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 Subsidiary that is not a Subsidiary Guarantor, (vi) upon legal or covenant defeasance of the Issuer's obligations, or satisfaction and discharge of the Indenture, (vii) subject to customary contingent reinstatement provisions, upon payment in full of the aggregate principal amount of all Notes then outstanding and all other Guaranteed Obligations then due and owing, or (viii) upon a Guarantor becoming (or substantially concurrently with it becoming) a Special Purpose Subsidiary, or if as a result of the release of the Subsidiary Guarantee of such Subsidiary Guarantor, it will become a Special Purpose Subsidiary (including, in each case, without limitation Hertz Fleet Limited). In addition, the Issuer will have the right, upon 10 days' written notice to the Trustee (or such shorter period as agreed by the Trustee in its sole discretion), to cause any Subsidiary Guarantor that has not guaranteed (or ceased to guarantee) payment by the Parent Guarantor of any Indebtedness of the Parent Guarantor under the Senior Credit Facility or payment by the Issuer of any Indebtedness of the Issuer under the European Revolving Credit Facility 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 paragraph and delivery of an Officer's Certificate and Opinion of Counsel, the Trustee shall execute any documents reasonably requested and prepared by the Issuer or the Parent Guarantor in order to evidence such release, discharge and termination in respect of such Subsidiary Guarantee.

Neither the Issuer nor any such Guarantor shall be required to make a notation on the Notes to reflect any such Guarantee or any such release, termination or discharge.

Ranking

The indebtedness evidenced by the Notes (a) will be unsecured Senior Indebtedness of the Issuer, (b) will rank *pari passu* in right of payment with all existing and future Senior Indebtedness of the Issuer, and (c) will be senior in right of payment to all existing and future Subordinated Obligations of the Issuer. The Notes will also be effectively subordinated to all secured Indebtedness and other secured obligations of the Issuer to the extent of the value of the assets securing such secured Indebtedness or other secured obligations, and to all Indebtedness and other obligations (including Trade Payables) of the Issuer's Subsidiaries (other than any Subsidiaries that are or become Subsidiary Guarantors pursuant to the provisions described above under "*—Guarantees and Release of Guarantors*").

Each Guarantee in respect of Notes (a) will be unsecured Senior Indebtedness of the applicable Guarantor, (b) will rank *pari passu* in right of payment with all existing and future Senior Indebtedness of such Guarantor and (c) will be senior in right of payment to all existing and future Subordinated Obligations of the Parent Guarantor and Guarantor Subordinated Obligations of each Subsidiary Guarantor. Such Guarantee will also be effectively subordinated to all secured Indebtedness and other secured obligations of such Guarantor to the extent of the value of the assets securing such secured Indebtedness or other secured obligations, and to all Indebtedness and other obligations (including Trade Payables) of the Subsidiaries of such Guarantor (other than the Issuer and Subsidiaries of the Parent Guarantor that are or become Subsidiary Guarantors pursuant to the provisions described above under "*—Guarantees and Release of Guarantors*").

A substantial part of the operations of the Parent Guarantor is conducted through its Subsidiaries. Claims of creditors of such Subsidiaries, including trade creditors, and claims of preferred shareholders (if any) of such Subsidiaries will have priority with respect to the assets and earnings of such Subsidiaries over the claims of creditors of the Parent Guarantor, including Holders of the Notes,

unless such Subsidiary is the Issuer or a Subsidiary Guarantor. The Notes, therefore, will be effectively subordinated to creditors (including trade creditors) and preferred shareholders (if any) of other Subsidiaries of the Parent Guarantor (other than the Issuer and Subsidiaries of the Parent Guarantor that are or become Subsidiary Guarantors). Certain of the operations of a Guarantor may be conducted through Subsidiaries thereof that are not also Guarantors. Claims of creditors of such Subsidiaries, including trade creditors, and claims of preferred shareholders (if any) of such Subsidiaries will have priority with respect to the assets and earnings of such Subsidiaries over the claims of creditors of such Guarantor, including claims under its Guarantee. Such Guarantee, if any, therefore, will be effectively subordinated to creditors (including trade creditors) and preferred shareholders (if any) of such Subsidiaries. Although the Indenture will limit the incurrence of secured Indebtedness (including preferred stock) by certain of the Parent Guarantor's Subsidiaries, such limitation is subject to a number of significant qualifications.

Change of Control Triggering Event

Upon the occurrence after the Issue Date of a Change of Control Triggering Event (as defined below), each Holder of Notes will have the right to require the Issuer to repurchase all or any part of such Notes at a purchase price in cash equal to 101.0% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of repurchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the repurchase date); *provided, however*, that the Issuer shall not be obligated to repurchase Notes pursuant to this covenant in the event that it has exercised its right to redeem all of the Notes as described under "*—Optional Redemption*."

The term "*Change of Control Triggering Event*" means the occurrence of both a Change of Control and a Rating Event.

The term "*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 50.0% of the total voting power of the Voting Stock of the Parent Guarantor, *provided* that so long as the Parent Guarantor is a Subsidiary of any Parent, no "person" shall be deemed to be or become a "beneficial owner" of more than 50.0% of the total voting power of the Voting Stock of the Parent Guarantor unless such "person" shall be or become a "beneficial owner" of more than 50.0% of the total voting power of the Voting Stock of such Parent (other than a Parent that is a Subsidiary of another Parent);

(ii) the Parent Guarantor sells or transfers (in one or a series of related transactions) all or substantially all of the assets of the Parent Guarantor 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 50.0% of the total voting power of the Voting Stock of the transferee Person in such sale or transfer of assets, as the case may be; provided that so long as such transferee Person is a Subsidiary of a parent Person, no "person" shall be deemed to be or become a "beneficial owner" of more than 50.0% 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 50.0% of the total voting power of the Voting Stock of such parent Person (other than a parent Person that is a Subsidiary of another parent Person); or

(iii) if at any time the Parent Guarantor shall fail to directly or indirectly own 100% of the issued and outstanding Capital Stock of the Issuer or otherwise cease to control the Issuer other than pursuant to a transaction under the covenant described under "*—Merger and Consolidation*"

where the Parent Guarantor directly or indirectly owns 100% of the issued and outstanding Capital Stock of the Successor Issuer (as defined under the second paragraph of "*—Merger and Consolidation*" below) and otherwise controls the Successor Issuer.

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 Parent Guarantor 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 Parent Guarantor and its Restricted Subsidiaries.

The term "*Rating Event*" means a decrease of one or more gradations (including gradations within rating categories as well as between rating categories and excluding, for the avoidance of doubt, changes in ratings outlook) in the rating of the applicable series of Notes by both Rating Agencies or a withdrawal of the rating of the Notes of such series by both Rating Agencies on, or within 30 days following, the earlier of (x) the occurrence of a Change of Control or (y) the date of public announcement of the occurrence of a Change of Control or of the intention by the Parent Guarantor to effect a Change of Control, which period shall be extended for a period not longer than 30 days so long as the rating of the applicable series of Notes relating to the Change of Control is under publicly announced consideration for downgrade by the applicable Rating Agency; *provided, however*, that a downgrade of the applicable series of Notes by the applicable Rating Agency shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a downgrade for purposes of this definition of Change of Control Triggering Event) if such Rating Agency making the downgrade in rating does not publicly announce or confirm or inform the Parent Guarantor or the Trustee in writing at the request of the Parent Guarantor that the downgrade is a result of the transactions constituting or occurring simultaneously with the applicable Change of Control (whether or not the applicable Change of Control has occurred at the time of such downgrade).

In the event that, at the time of such Change of Control Triggering Event, the terms of any Credit Facility Indebtedness constituting Designated Senior Indebtedness restrict or prohibit the repurchase of the Notes pursuant to this covenant, then prior to the sending of the notice to Holders provided for in the immediately following paragraph but in any event not later than 30 days following the date the Issuer or the Parent Guarantor obtains actual knowledge of any Change of Control Triggering Event having occurred (unless the Issuer has exercised its right to redeem all the Notes as described under "*—Optional Redemption*"), the Parent Guarantor 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 the immediately following paragraph. The Parent Guarantor shall first comply with the provisions of the immediately preceding sentence before the Issuer shall be required to repurchase Notes pursuant to the provisions described below. The Parent Guarantor's or the Issuer's failure to comply with such provisions or the provisions of the immediately following paragraph, as applicable, shall constitute an Event of Default described in clause (iv) and not in clause (ii) under "*—Defaults*" below.

Unless the Issuer has exercised its right to redeem all the Notes as described under "*—Optional Redemption*," the Issuer shall, not later than 30 days following the date the Issuer or the Parent Guarantor obtains actual knowledge of any Change of Control Triggering Event having occurred, send a notice (a "*Change of Control Offer*") to each Holder with a copy to the Trustee and the Paying Agent stating: (1) that a Change of Control Triggering Event has occurred or may occur and that such Holder has, or upon such occurrence will have, the right to require the Issuer to repurchase such Holder's

Notes at a purchase price in cash equal to 101.0% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of repurchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date falling prior to or on the repurchase date); (2) the repurchase date (which shall be no earlier than 10 days nor later than 60 days from the date such notice is sent, except that such notice may be sent more than 60 days prior to the repurchase date if the repurchase date is delayed as provided in clause (4) of this paragraph); (3) the instructions determined by the Issuer, consistent with this covenant, that a Holder must follow in order to have its Notes repurchased; and (4) if such notice is sent prior to the occurrence of a Change of Control Triggering Event, that such offer is conditioned on the occurrence of such Change of Control Triggering Event and that the repurchase date may, in the Issuer's discretion, be delayed until such time as the Change of Control Triggering Event has occurred. No Note will be repurchased in part if less than the Minimum Denomination in original principal amount of such Note would be left outstanding.

A Change of Control Offer may be made in advance of a Change of Control Triggering Event, conditional upon such Change of Control Triggering Event. If we, or any third party making a Change of Control Offer in lieu of a Change of Control Offer made by us, purchase on or after the date of consummation of the Change of Control all of the Notes validly tendered and not withdrawn under such tender, we will have satisfied our obligations to make a Change of Control Offer regardless as to whether or not a Change of Control Triggering Event subsequently occurs.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control Triggering Event 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 the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

If Holders of not less than 90.0% in aggregate principal amount of the outstanding Notes of any series validly tender and do not withdraw such Notes in a Change of Control Offer, and the Issuer, or any third party making a Change of Control Offer in lieu of the Issuer as described in the immediately preceding paragraph, purchases all of the Notes of such series, validly tendered and not withdrawn by such Holders, the Issuer or such third party will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to such Change of Control Offer, to redeem all Notes of such series that remain outstanding following such purchase at a purchase price in cash equal to 101.0% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to but excluding the date of such redemption (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date).

The Issuer 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 covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will be deemed not to have breached its obligations under this covenant by virtue thereof.

The Change of Control Triggering Event purchase feature is a result of negotiations between the Issuer, the Parent Guarantor and the initial purchasers of the Notes. The Parent Guarantor has no present plans to engage in a transaction involving a Change of Control, although it is possible that the Parent Guarantor could decide to do so in the future. Subject to the limitations discussed below, the Parent Guarantor could, in the future, enter into certain transactions, including acquisitions, refinancings or recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect the

Parent Guarantor's capital structure or credit ratings. Restrictions on the ability of the Parent Guarantor to Incur additional Indebtedness (including secured Indebtedness) are contained in the covenants described under "*—Certain Covenants—Limitation on Indebtedness*" and "*—Certain Covenants—Limitation on Liens*." Such restrictions can only be waived with the consent of the Holders of a majority in principal amount of the Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford Holders protection in the event of a highly leveraged transaction.

The occurrence of a Change of Control would constitute a default under the Senior Credit Agreement, the Letter of Credit Agreement and under the European Revolving Credit Facility. Agreements governing other Indebtedness of the Issuer, the Parent Guarantor or Restricted Subsidiaries may contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased or repaid upon a Change of Control. The agreements governing other Indebtedness of the Issuer, the Parent Guarantor or Restricted Subsidiaries, including the Senior Credit Agreement, the Letter of Credit Agreement and the European Revolving Credit Facility, may prohibit the Issuer from repurchasing the Notes upon a Change of Control Triggering Event unless the Indebtedness governed by such agreements has been repurchased or repaid (or an offer made to effect such repurchase or repayment has been made and the Indebtedness of those creditors accepting such offer has been repurchased or repaid) and/or other specified requirements have been met. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the Notes could cause a default under such agreements, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer, the Parent Guarantor or their Subsidiaries. Finally, the Parent Guarantor's ability to pay cash to the Holders upon a repurchase may be limited by the Parent Guarantor's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. The provisions under the Indenture relating to the Issuer's obligation to make an offer to purchase the Notes as a result of a Change of Control Triggering Event may be waived or modified with the written consent of the Holders of only a majority in principal amount of the Notes. As described above under "*—Optional Redemption*," the Issuer also has the right to redeem the Notes at specified prices, in whole or in part, upon a Change of Control Triggering Event or otherwise.

The definition of Change of Control includes a phrase relating to the sale or other transfer of "all or substantially all" of the assets of the Parent Guarantor and its Restricted Subsidiaries. Although there is a developing body of case law interpreting the phrase "substantially all," there is no precise definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Parent Guarantor and its Restricted Subsidiaries and therefore it may be unclear as to whether a Change of Control has occurred and whether the Holders of the Notes have the right to require the Issuer to repurchase such Notes.

Additional Amounts

All payments made by or on behalf of the Issuer under or with respect to the Notes (whether or not in the form of Physical Notes) or any of the Guarantors (each, a "*Payor*") on its Guarantee will be made without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of any jurisdiction in which the Issuer or any Guarantor (including any successor entity) is then incorporated, organized, engaged in business, or resident for tax purposes or any political subdivision thereof or therein or any jurisdiction by or through which payment is made by or on behalf of the Issuer or any Guarantor (including any successor entity) (including the jurisdiction of any Paying Agent) or any political subdivision thereof or therein (each, a "*Tax Jurisdiction*"), will at any time be required to be made from any payments made

by or on behalf of the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Guarantee, including payments of principal, redemption price, purchase price, interest or premium, the Issuer or the relevant Guarantor, as applicable, will pay such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments by each Holder (including Additional Amounts) after such withholding or deduction will equal the respective amounts which would have been received in respect of such payments in the absence of such withholding or deduction; provided, however, that no Additional Amounts will be payable with respect to:

(a) any Taxes which would not have been imposed but for the existence of any present or former connection between the relevant Holder or the beneficial owner of the Notes and the relevant Tax Jurisdiction in which such Taxes are imposed (other than the mere acquisition, ownership or holding of such Notes or enforcement of rights thereunder or the receipt of payments in respect thereof);

(b) any Taxes that are imposed or withheld as a result of the failure of the Holder or the beneficial owner of the Notes, to the extent it is legally entitled and eligible to do so, to comply with any reasonable written request made to that Holder or beneficial owner in writing at least 30 days before any such withholding or deduction would be payable, by the Issuer or any of the Guarantors to provide timely and accurate information concerning the nationality, residence or identity of such Holder or beneficial owner or to make any valid and timely declaration or similar claim or satisfy any certification, information or other reporting requirement, which is required or imposed by a statute, treaty, regulation or administrative practice of the relevant Tax Jurisdiction as a precondition to exemption from all or part of such Taxes;

(c) any Taxes to the extent such Taxes were imposed as a result of the presentation of any Note for payment (where Notes are in the form of Physical Notes and presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder (except to the extent that the Holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30 day period);

(d) any Taxes that are payable otherwise than by deduction or withholding from a payment of the principal of, premium, if any, or interest on the Notes;

(e) any estate, inheritance, gift, sale, transfer, personal property or similar tax or assessment;

(f) any Taxes imposed on or with respect to a payment made to a Holder of Notes who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union or in the United Kingdom;

(g) all United States backup withholding taxes;

(h) any Taxes that are imposed, withheld or deducted pursuant to sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreements entered into pursuant to section 1471(b)(1) of the Code, any intergovernmental agreement entered into in connection with any of the foregoing and any fiscal or regulatory legislation, rules or practices adopted pursuant to any such intergovernmental agreement; or

(i) any combination of items (a) through (h) above.

Such Additional Amounts will also not be payable where, had the beneficial owner of the Note been the Holder of the Note, it would not have been entitled to payment of Additional Amounts by reason of any of clauses (a) through (i) inclusive. In addition to the foregoing, the Issuer and the Guarantors will also pay and indemnify each Holder and beneficial owner for any present or future stamp, issue, registration, court or documentary taxes, or any other excise or property taxes, or similar charges, levies or Taxes (including penalties and interest) which arise in any jurisdiction from the

execution, delivery, enforcement or registration of any of the Notes, the Indenture, any Guarantee, or any other document or instrument referred to therein, or the receipt of any payments with respect to the Notes or the Guarantees (other than transfers of the Notes following the initial resale of the Notes by initial purchasers of the Notes), excluding any such Taxes, charges or levies imposed by any jurisdiction that is not a Taxing Jurisdiction, other than those resulting from, or required to be paid in connection with, the enforcement of the Notes, the Indenture, the Guarantees or any other such document or instrument following the occurrence of any Event of Default with respect to the Notes.

If the Issuer or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any Guarantee, the Issuer or the relevant Guarantor, as the case may be, will deliver to the Trustee, with a copy to the Paying Agent, on a date which is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises after the 45th day prior to that payment date, in which case the Issuer or the relevant Guarantor shall notify the Trustee and the Paying Agent promptly thereafter) an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer's Certificate must also set forth any other information reasonably necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date. The Trustee and the Paying Agent shall be entitled to rely absolutely on such Officer's Certificate as conclusive proof that such payments are necessary. The Issuer or the relevant Guarantor will provide the Trustee and the Paying Agent with documentation reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts.

The Issuer or the relevant Guarantor will make all withholdings and deductions required by law and will remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer or the relevant Guarantor will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor will furnish to the Holders certified copies of Tax receipts evidencing payment by the Issuer or a Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments by such entity.

Whenever in the Indenture or in this "*Description of Notes*" there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or of any other amount payable under, or with respect to, any of the Notes, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture or any transfer by a Holder or beneficial owner of its Notes.

Certain Covenants

Termination of Certain Covenants

The Indenture will contain covenants including, among others, the covenants as described below. 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 the 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, the covenants specifically listed under the following captions in this "*Description of Notes*" section of this offering memorandum will cease to be effective and will not be applicable to the Issuer, the Parent Guarantor and the Restricted Subsidiaries:

(i) "*—Limitation on Indebtedness*";

(ii) "*—Limitation on Restricted Payments*";

(iii) "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*";

(iv) "*—Limitation on Sales of Assets and Subsidiary Stock*";

(v) "*—Limitation of Movement of Assets during a European Borrowing Base Deficiency*"

(vi) "*—Future Subsidiary Guarantors*"; and

(vii) clause (d) of "*—SEC Reports*".

Following the Termination Date, (a) the Board of Directors may not designate any of its Subsidiaries as Unrestricted Subsidiaries unless such designation would have complied with the covenant described under "*—Limitation on Restricted Payments*" as if such covenant would have been in effect during such period and (b) for the purpose of the covenant described under "*—Limitation of Liens*," clause (1) referred to in that covenant will apply to all property and assets of the Parent Guarantor and its Restricted Subsidiaries (including, without limitation, any European Borrowing Base Assets) and clause (2) referred to in that covenant will cease to be applicable.

At any time after the Termination Date, any reference in the definitions of "Permitted Liens" and "Unrestricted Subsidiary" to the covenant described under "*—Limitation on Indebtedness*" or any provision thereof shall be construed as if such covenant were in effect.

There can be no assurance that the Notes will ever achieve or maintain Investment Grade Ratings. The Trustee shall have no duty to monitor the ratings of the Notes, determine whether a Termination Date has occurred or notify Holders of any of the foregoing.

Limitation on Indebtedness.

The Indenture will provide as follows:

(a) The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness; *provided*, *however*, that the Parent Guarantor 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 Parent Guarantor 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 (including accrued unpaid interest) incurred in connection with such refinancing;

(ii) Indebtedness (*A*) of any Restricted Subsidiary to the Parent Guarantor or (*B*) of the Parent Guarantor 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 Parent Guarantor 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 (excluding any Additional Notes), any Indebtedness (other than the Indebtedness under the European Revolving Credit Facility and the Senior Credit Facility) outstanding on the Issue Date 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 Parent Guarantor 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 Parent Guarantor or any Restricted Subsidiary, (*y*) Guarantees required (in the good faith determination of the Parent Guarantor) 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 Parent Guarantor or any Restricted Subsidiary of Indebtedness or any other obligation or liability of the Parent Guarantor or any Restricted Subsidiary (other than any Indebtedness Incurred by the Parent Guarantor or such Restricted Subsidiary, as the case may be, in violation of the covenant described under "*—Limitation on Indebtedness*"), or (B) without limiting the covenant described under "*—Limitation on Liens*," Indebtedness of the Parent Guarantor or any Restricted Subsidiary arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Parent Guarantor or any Restricted Subsidiary (other than any Indebtedness Incurred by the Parent Guarantor or such Restricted Subsidiary, as the case may be, in violation of the covenant described under "*—Limitation on Indebtedness*");

(vii) Indebtedness of the Parent Guarantor 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 Parent Guarantor 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 Parent Guarantor 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 Parent Guarantor 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 Parent Guarantor 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 Parent Guarantor as, Incurred at such time (or at the time initially Incurred) under one or more of the other provisions of this covenant 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 Parent Guarantor may classify such Indebtedness in whole or in part as Incurred under this clause (b)(ix) of this covenant;

(x) Indebtedness of (A) the Parent Guarantor 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 Parent Guarantor or any Restricted Subsidiary, or (B) any Person that is acquired by or merged or consolidated with or into the Parent Guarantor 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 Parent Guarantor could Incur at least $1.00 of additional Indebtedness pursuant to paragraph (a) above or (*2*) the Consolidated Coverage Ratio of the Parent Guarantor would equal or be greater than the Consolidated Coverage Ratio of the Parent Guarantor immediately prior to giving effect thereto; and any Refinancing Indebtedness with respect to any such Indebtedness;

(xi) Indebtedness of the Parent Guarantor 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 paragraph (a) above, and any Refinancing Indebtedness with respect thereto;

(xiv) Indebtedness of the Parent Guarantor or any Restricted Subsidiary in an aggregate principal amount at any time outstanding not exceeding an amount equal to the greater of $470.0 million and 3.25% of Consolidated Tangible Assets.

(c) Notwithstanding the foregoing paragraphs (a) and (b), no member of the European Borrowing Base Group may Incur any Indebtedness (other than (1) Refinancing Indebtedness Incurred to refinance any Indebtedness of a member of the European Borrowing Base Group, (2) Indebtedness of the type set out in the foregoing paragraphs (b)(ii), (b)(iii), (b)(v)(w), (b)(v)(x), (b)(v)(y), (to the extent the Indebtedness Guaranteed would be permitted to be incurred under this paragraph (c)) (b)(vi)(A), (b)(vi)(B), (b)(vii), (b)(viii), (if any European Borrowing Base Deficiency would not be increased by the incurrence of such Indebtedness) (b)(x), (b)(xii) and (b)(xiii), and (3) Indebtedness Incurred in a maximum principal amount outstanding at any time of €20,000,000) if, at the time of such Incurrence, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom) as if the additional Indebtedness had been Incurred, a European Borrowing Base Deficiency is continuing or would result from such Incurrence.

(d) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant, (*i*) any other obligation of the obligor on such Indebtedness (or of any other Person who could have Incurred such Indebtedness under this covenant) 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 Parent Guarantor, 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 Parent Guarantor shall so determine) any Indebtedness Incurred pursuant to clause (b)(xiii) of this covenant 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 covenant from and after any date designated by the Parent Guarantor on which the Parent Guarantor or any Restricted Subsidiary could have Incurred such Indebtedness under paragraph (a) of this covenant without reliance on such clause, (*iii*) in the event that Indebtedness could be Incurred in part under paragraph (a) above, the Parent Guarantor, in its sole discretion, may classify a portion of such Indebtedness as having been Incurred under paragraph (a) above and thereafter the remainder of such Indebtedness as having been Incurred under paragraph (b) above; (*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; (*v*) the principal amount of Indebtedness outstanding under any clause of paragraph (b) above shall be determined after giving effect to the application of proceeds of any such Indebtedness to refinance any such other Indebtedness; (*vi*) if any Indebtedness is Incurred to refinance Indebtedness initially Incurred (or, Indebtedness Incurred to refinance Indebtedness initially Incurred) in reliance on any provision of paragraph (b) above measured by reference to a percentage of Consolidated Tangible Assets at the time of Incurrence, and such refinancing would cause such percentage of Consolidated Tangible Assets restriction to be exceeded if calculated based on the Consolidated Tangible Assets on the date of such refinancing, such percentage of Consolidated Tangible Assets shall not be deemed to be exceeded (and such refinancing Indebtedness shall be deemed permitted) so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, *plus* the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) Incurred or payable in connection with such refinancing; and (*vii*) if any Indebtedness is Incurred to refinance Indebtedness initially Incurred (or, Indebtedness Incurred to refinance Indebtedness initially Incurred) in reliance on any provision of paragraph (b) above measured by a dollar amount, such dollar amount shall not be deemed to be exceeded (and such refinancing Indebtedness shall be deemed permitted) to the extent the principal amount of such newly Incurred Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, *plus* the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) Incurred or payable in connection with such refinancing.

(e) For purposes of determining compliance with any dollar-denominated restriction on the Incurrence of Indebtedness or Liens 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 Issue Date shall be calculated based on the relevant currency exchange rate in

effect on the Issue 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, the Letter of Credit Facility or the European Revolving Credit Facility shall be calculated based on the relevant currency exchange rate in effect on, at the Parent Guarantor's option, (*i*) the Issue Date, (*ii*) any date on which any of the respective commitments under such Senior Credit Facility, the Letter of Credit Facility or the European Revolving 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.

Limitation on Restricted Payments

The Indenture will provide as follows:

(a) The Parent Guarantor 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 Parent Guarantor is a party) except (x) dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) and (y) dividends or distributions payable to the Parent Guarantor or any Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to other holders of its Capital Stock on no more than a pro rata basis, measured by value), (ii) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Parent Guarantor held by Persons other than the Parent Guarantor or a Restricted Subsidiary (other than any acquisition of Capital Stock deemed to occur upon the exercise of options if such Capital Stock represents a portion of the exercise price thereof), (iii) voluntarily purchase, repurchase, redeem, defease or otherwise voluntarily acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations (other than Subordinated Obligations owed to the Parent Guarantor or to a Restricted Subsidiary and other than a purchase, repurchase, redemption, defeasance or other acquisition or retirement for value in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition or retirement) or (iv) make any Restricted Investment (any such dividend, distribution, purchase, repurchase, redemption, defeasance, other acquisition or retirement or Restricted Investment being herein referred to as a "*Restricted Payment*").

(b) The provisions of the foregoing paragraph (a) do not prohibit any of the following (each, a "*Permitted Payment*"):

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

(ii) any purchase, redemption, repurchase, defeasance or other acquisition or retirement of Subordinated Obligations (w) made by exchange for, or out of the proceeds of the Incurrence of, Indebtedness of the Parent Guarantor or any Restricted Subsidiary or Refinancing Indebtedness Incurred in compliance with the covenant described under "*—Limitation on Indebtedness*," (x) from Net Available Cash or an equivalent amount to the extent permitted by the covenant described under "*—Limitation on Sales of Assets and Subsidiary Stock*," (y) following the occurrence of a Change of Control (or other similar event described therein as a "*change of control*"), but only if the Issuer shall have complied with the covenant described under "*—Change of Control Triggering Event*" 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 this covenant;

(iv) 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 Parent Guarantor to any Parent (whether made directly or indirectly) to permit any Parent to repurchase or otherwise acquire its Capital Stock (including any options, warrants or other rights in respect thereof), or payments by the Parent Guarantor to repurchase or otherwise acquire Capital Stock of any Parent or the Parent Guarantor (including any options, warrants or other rights in respect thereof), in each case from current or former Management Investors (including any repurchase or acquisition by reason of the Parent Guarantor 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) $50.0 million, plus (2) $5.0 million multiplied by the number of calendar years that have commenced since July 1, 2016, plus (y) the Net Cash Proceeds received by the Parent Guarantor since July 1, 2016 from, or as a capital contribution from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), plus (z) the cash proceeds of key man life insurance policies received by the Parent Guarantor or any Restricted Subsidiary (or by any Parent and contributed to the Parent Guarantor) since the Issue Date; *provided* that any cancellation of Indebtedness owing to the Parent Guarantor or any Restricted Subsidiary by any current or former Management

Investor in connection with any repurchase or other acquisition of Capital Stock (including any options, warrants or other rights in respect thereof) from any current or former Management Investor shall not constitute a Restricted Payment for purposes of this covenant or any provision of the Indenture;

(vi) Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed an amount (net of repayments of any such loans or advances) equal to the sum of (x) $500.0 million plus (y) 50.0% of Consolidated Net Income accrued during the period (treated as one accounting period) beginning on January 1, 2018, to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which consolidated financial statements of the Parent Guarantor are available (or, in case such Consolidated Net Income shall be a negative number, 100.0% of such negative number);

(vii) loans, advances, dividends or distributions to any Parent or other payments by the Parent Guarantor or any Restricted Subsidiary (A) pursuant to a Tax Sharing Agreement or (B) to pay or permit any Parent to pay any Parent Expenses or any Related Taxes;

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

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

(x) any Restricted Payment pursuant to or in connection with the Transactions or the Spin-Off Transactions or otherwise pursuant to or in connection with any Spin-Off Transaction Agreement;

(xi) 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;

(xii) (A) dividends on any Designated Preferred Stock of the Parent Guarantor issued after the Issue Date; *provided* that at the time of such issuance and after giving effect thereto on a pro forma basis, the Consolidated Coverage Ratio would be equal to or greater than 2.00:1.00, (B) loans, advances, dividends or distributions to any Parent to permit dividends on any Designated Preferred Stock of any Parent issued after the Issue Date if the net proceeds of the issuance of such Designated Preferred Stock have been contributed to the Parent Guarantor or any of its Restricted Subsidiaries; *provided* that the aggregate amount of all loans, advances, dividends or distributions paid pursuant to this subclause (B) shall not exceed the net proceeds of such issuance of Designated Preferred Stock received by or contributed to the Parent Guarantor or any of its Restricted Subsidiaries or (C) any dividend on Refunding Capital Stock that is Preferred Stock; *provided* that at the time of the declaration of such dividend and after giving effect thereto on a pro forma basis, the Consolidated Coverage Ratio would be equal to or greater than 2.00:1.00;

(xiii) Restricted Payments in an aggregate amount outstanding at any time not to exceed an amount equal to Declined Excess Proceeds; and

(xiv) any Restricted Payment; provided that on a pro forma basis after giving effect to such Restricted Payment the Consolidated Total Corporate Leverage Ratio would be equal to or less than 4.00:1.00;

provided, that (A) in the case of clause (iii), the net amount of any such Permitted Payment shall be included in subsequent calculations of the amount of Restricted Payments, (B) in all cases other than pursuant to clause (A) immediately above, the net amount of any such Permitted Payment shall be excluded in subsequent calculations of the amount of Restricted Payments and (C) solely with respect

to clauses (vi) and (xiv), no payment or bankruptcy Event of Default shall have occurred and be continuing at the time of any such Permitted Payment after giving effect thereto. The Parent Guarantor, in its sole discretion, may classify any Restricted Payment as being made in part under one of the clauses or subclauses of this covenant and in part under one or more other such clauses or subclauses.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Indenture will provide that the Parent Guarantor 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 Parent Guarantor, (ii) make any loans or advances to the Parent Guarantor or (iii) transfer any of its property or assets to the Parent Guarantor (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 be deemed not 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 Issue Date, any Credit Facility, the 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 Parent Guarantor or any Restricted Subsidiary, or which agreement or instrument is assumed by the Parent Guarantor or any Restricted Subsidiary in connection with an acquisition of assets from or other transaction with such Person, or any other transaction entered into in connection with any such acquisition, merger or consolidation, 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 Parent Guarantor is the Successor Parent Guarantor 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 Parent Guarantor or a Restricted Subsidiary, as the case may be, when such Person becomes such Successor Parent Guarantor;

(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 covenant 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 encumbrances and 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 the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such Refinancing Agreement or Amendment relates (as determined in good faith by the Parent Guarantor, which determination shall be conclusive);

(4) (A) pursuant to any agreement or instrument that restricts in a customary manner (as determined in good faith by the Parent Guarantor, which determination shall be conclusive) 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 Parent Guarantor or any Restricted Subsidiary not otherwise prohibited by the Indenture, (C) contained in mortgages, pledges or other security agreements securing Indebtedness or other obligations of the Parent Guarantor or a Restricted

Subsidiary to the extent restricting the transfer of the property or assets subject thereto, (D) pursuant to customary provisions (as determined in good faith by the Parent Guarantor, which determination shall be conclusive) restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Parent Guarantor 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, net worth or inventory imposed by customers or suppliers under agreements entered into in the ordinary course of business, (G) pursuant to customary provisions (as determined in good faith by the Parent Guarantor, which determination shall be conclusive) contained in agreements and instruments entered into in the ordinary course of business (including leases and licenses) or in joint venture and other similar agreements or in shareholder, partnership, limited liability company and other similar agreements in respect of non-wholly owned Restricted Subsidiaries, (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 Parent Guarantor or any Restricted Subsidiary in any manner material to the Parent Guarantor or such Restricted Subsidiary, (I) pursuant to Hedging Obligations, (J) in connection with or relating to any Vehicle Rental Concession Right or (K) pursuant to 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 Parent Guarantor 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 Incurred subsequent to the Issue Date (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 Parent Guarantor, which determination shall be conclusive), 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 Parent Guarantor, which determination shall be conclusive) and either (x) the Parent Guarantor determines in good faith (which determination shall be conclusive) that such encumbrance or restriction will not materially affect the Parent Guarantor'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.

Limitation on Sales of Assets and Subsidiary Stock

The Indenture will provide as follows:

(a) The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, make any Asset Disposition unless:

(i) the Parent Guarantor 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 (as of the date on which a legally binding commitment for such Asset Disposition was entered into) of the shares and assets subject to such Asset Disposition, as such fair market value shall be determined (including as to the value of all noncash consideration) in good faith by the Parent Guarantor, which determination shall be conclusive,

(ii) in the case of any Asset Disposition (or series of related Asset Dispositions) having a Fair Market Value (as of the date on which a legally binding commitment for such Asset Disposition was entered into) of $50.0 million or more, at least 75.0% 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) for such Asset Disposition, together with all other Asset Dispositions since the Issue Date (on a cumulative basis), received by the Parent Guarantor or such Restricted Subsidiary is in the form of cash, and

(iii) an amount equal to 100.0% of the Net Available Cash from such Asset Disposition is applied by the Parent Guarantor (or any Restricted Subsidiary, as the case may be) as follows:

(A) *first*, either (x) to the extent the Parent Guarantor or such Restricted Subsidiary elects (or is required by the terms of any Credit Facility Indebtedness, any Senior Indebtedness of the Parent Guarantor 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 Obligations in respect thereof or (in the case of letters of credit, bankers' acceptances or other similar instruments) cash collateralize any such Indebtedness or Obligations in respect thereof (in each case other than Indebtedness owed to the Parent Guarantor 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 or (y) to the extent the Parent Guarantor 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 Parent Guarantor 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;

(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 Parent Guarantor or such Restricted Subsidiary elects, or is required by the terms thereof) to purchase, redeem or repay any other Senior Indebtedness of the Parent Guarantor or a Restricted Subsidiary, pursuant and subject to the conditions of the Indenture 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 (the amount of such balance, "*Declined Excess Proceeds*"), to fund (to the extent consistent with any other applicable provision of the Indenture) any general corporate purpose (including the repurchase, repayment or other acquisition or retirement of any Subordinated Obligations or the making of other Restricted Payments);

provided, however, that (1) in connection with any prepayment, repayment or purchase of Indebtedness pursuant to clause (iii)(A)(x) or (iii)(B) above, the Parent Guarantor 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; (2) clause (ii) above shall not apply to any sale, lease, transfer or other disposition of Capital Stock, Indebtedness or other securities of, or any other Investments in, or the business or assets of, any Person that is not organized under the laws of the United States of America or any state thereof or the District of Columbia; (3) the foregoing percentage in clause (iii) shall be reduced to 0.0% if the Consolidated Total Corporate Leverage Ratio would be equal to or less than 4.50:1.00 after giving pro forma effect to any application of such Net Available Cash as set forth herein (any Net Available Cash in respect of Asset Dispositions not required to be applied in accordance with clause (iii) as a result of the application of this clause (3) of this proviso shall collectively constitute "*Total Leverage Excess Proceeds*") and (4) the Parent Guarantor or such Restricted Subsidiary may elect to invest in Additional Assets prior to receiving the Net Available Cash attributable to any given Asset Disposition (*provided* that such investment shall be made no earlier than the earliest of notice to the Trustee of the relevant Asset Disposition, execution of a definitive agreement for the relevant Asset Disposition, and consummation of the relevant Asset Disposition) and deem the amount so invested to be applied pursuant to and in accordance with clause (iii)(A)(y) above with respect to such Asset Disposition.

Notwithstanding the foregoing provisions of this covenant, the Parent Guarantor and the Restricted Subsidiaries shall not be required to apply any Net Available Cash or equivalent amount in accordance with this covenant 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 covenant (excluding all Total Leverage Excess Proceeds) exceeds $100.0 million. If the aggregate principal amount of Notes and/or other Indebtedness of the Parent Guarantor 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 Parent Guarantor 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 Parent Guarantor or a Restricted Subsidiary, and (y) the aggregate principal amount of Notes validly tendered and not withdrawn.

Notwithstanding the foregoing provisions of this covenant, to the extent that repatriating or transferring to the Parent Guarantor or to any Restricted Subsidiary any or all of the Net Available Cash from any Asset Disposition by the Parent Guarantor or any Restricted Subsidiary (w) could result in material adverse tax consequences to the Parent Guarantor or any of its Subsidiaries, (x) is prohibited or delayed by applicable local law, (y) could reasonably be expected to give rise to or result in (A) any violation of applicable law, (B) any liability (criminal, civil, administrative or other) for any of the officers, directors or shareholders of the Parent Guarantor, any Restricted Subsidiary or any Parent, (C) any violation of the provisions of any joint venture or other material agreement governing or binding upon the Parent Guarantor or any Restricted Subsidiary or (D) any material risk of any such violation or liability referred to in clauses (A), (B) and (C) or (z) could reasonably be expected to give rise to or result in any cost, expense, liability or obligation (including any Tax) other than routine and immaterial out-of-pocket expenses (in the case of the foregoing clauses (w), (x), (y) and (z), as determined by the Parent Guarantor in good faith, which determination shall be conclusive), the portion of such Net Available Cash so affected will not be required to be applied in compliance with the foregoing provisions of this covenant, and such amounts may be retained by the Parent Guarantor or any Restricted Subsidiary or invested in, distributed to or otherwise transferred to any other Subsidiary; *provided* that, in the case of the foregoing clause (y), the Parent Guarantor shall take commercially reasonable efforts

to cause the applicable Restricted Subsidiary to, take all actions reasonably required by the applicable local law, applicable organizational impediments or other impediment to permit such repatriation or transfer, and if such repatriation or transfer of any of such affected Net Available Cash can be achieved, such repatriation or transfer will be promptly effected and such repatriated Net Available Cash will be applied (whether or not repatriation or transfer actually occurs) in compliance with the foregoing provisions of this covenant. The time periods set forth in this covenant shall not start until such time as the Net Available Cash may be repatriated or transferred whether or not such repatriation or transfer actually occurs.

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 Parent Guarantor (other than Disqualified Stock of the Parent Guarantor) or any Restricted Subsidiary and the release of the Parent Guarantor 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 Parent Guarantor 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 Parent Guarantor or any Restricted Subsidiary from the transferee that are converted by the Parent Guarantor or such Restricted Subsidiary into cash within 180 days, (5) consideration consisting of Indebtedness of the Parent Guarantor or any Restricted Subsidiary, (6) Additional Assets and (7) any Designated Noncash Consideration received by the Parent Guarantor 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 the greater of $350.0 million and 1.75% of Consolidated Tangible Assets (with the Fair Market Value of each item of Designated Noncash Consideration being measured as of the date on which a legally binding commitment for such disposition (or, if later, for the payment of such item) was entered into 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 clause (iii)(B) of paragraph (a) above, the Issuer will be required to purchase Notes tendered pursuant to an offer by the Issuer for the Notes (the "*Offer*") at a purchase price of 100% of their principal amount plus accrued and unpaid interest and Additional Amounts to the date of purchase in accordance with the procedures (including prorating in the event of oversubscription) set forth in the Indenture. 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 Issuer or the Parent Guarantor and the Restricted Subsidiaries for use in accordance with clause (iii)(B) of paragraph (a) above (to repay other Indebtedness of the Parent Guarantor or a Restricted Subsidiary) or clause (iii)(C) of paragraph (a) above. The Issuer shall not be required to make an Offer for Notes pursuant to this covenant if the Net Available Cash (excluding all Total Leverage Excess Proceeds) available therefor (after application of the proceeds as provided in clause (iii)(A) of paragraph (a) above) is less than (i) $100.0 million for any particular Asset Disposition or (ii) $200.0 million in the aggregate in any fiscal year. 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 Issuer and the Parent Guarantor 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 covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer

and the Parent Guarantor will comply with the applicable securities laws and regulations and will be deemed not to have breached its obligations under this covenant by virtue thereof.

Limitation on Movement of Assets during a European Borrowing Base Deficiency

The Indenture will provide that for so long as a European Borrowing Base Deficiency is continuing or would result from such transaction or series of transactions (including the application of the proceeds from such transaction), no member of the European Borrowing Base Group shall either through a single transaction or a series of related transactions, sell, lease, transfer or dispose of any European Borrowing Base Asset to a Non-European Borrowing Base Group Member. Subject to the covenant described under the caption "*—Limitation on Sales or Assets and Subsidiary Stock*," the preceding sentence shall not apply to any sale, lease, transfer or disposal which is (i) to a member of the European Borrowing Base Group; (ii) of Non-European Borrowing Base Group Assets; (iii) cash to a holding company provided such cash is pledged or promptly passed on to a member of the European Borrowing Base Group; (iv) on an arm's length basis and provided that such sale, lease, transfer or disposal is made in compliance with the covenant described under the caption "*—Limitation on Sales or Assets and Subsidiary Stock*" (including, for the avoidance of doubt, the application of proceeds from such sale, lease, transfer or disposal); or (v) pursuant to trade payables, employment agreements and other arrangements with third parties (other than the Parent Guarantor or any of its Subsidiaries (other than a member of the European Borrowing Base Group)) in the ordinary course of business and consistent with past practice.

Limitation on Liens

The Indenture will provide that the Parent Guarantor shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create or permit to exist any Lien on any of its property or assets (including Capital Stock of any other Person), whether owned on the date of the Indenture or thereafter acquired, securing any Indebtedness (the "*Initial Lien*") except (1) in the case of any property or asset that does not constitute a European Borrowing Base Asset (including, for the avoidance of doubt, any Non-European Borrowing Base Group Assets), Permitted Liens or, if such Lien is not a Permitted Lien, unless contemporaneously therewith effective provision is made to secure the Indebtedness due under the 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 and (2) in the case of any property or asset that constitutes a European Borrowing Base Asset, Permitted European Borrowing Base Liens. Any Lien created in favor of the Notes or any such Subsidiary Guarantee pursuant to the preceding clause (1) 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 the Indenture or (iii) any sale, exchange or transfer (other than a transfer constituting a transfer of all or substantially all of the assets of the Parent Guarantor that is governed by the provisions of the covenant described under "*—Merger and Consolidation*" below) to any Person not an Affiliate of the Parent Guarantor of the property or assets secured by such Initial Lien, or of all of the Capital Stock held by the Parent Guarantor or any Restricted Subsidiary in, or all or substantially all the assets of, any Restricted Subsidiary creating such Initial Lien.

Future Subsidiary Guarantors

As set forth more particularly under "*—Guarantees and Release of Guarantors*," the Indenture will provide that the Parent Guarantor will cause, subject to certain limitations, each Restricted Subsidiary of the Parent Guarantor that becomes a guarantor of the Senior Credit Facility or the European

Revolving Credit Facility to execute and deliver to the Trustee a supplemental indenture or other instrument pursuant to which such Restricted Subsidiary will guarantee payment of the Notes, whereupon such Restricted Subsidiary will become a Subsidiary Guarantor for all purposes under the Indenture. The Parent Guarantor will also have the right to cause any other Subsidiary that is not a Subsidiary Guarantor to so guarantee payment of the Notes and become a Subsidiary Guarantor. Subsidiary Guarantees will be subject to release and discharge under certain circumstances prior to payment in full of the Notes. See "*—Guarantees and Release of Guarantors*."

The Parent Guarantor will not be obligated to cause any Restricted Subsidiary to guarantee the Notes to the extent such Guarantee could reasonably be expected to give rise to or result in (i) any conflict with or violation of applicable law; (ii) material risk of personal liability for the officers, directors, shareholders or partners of such Restricted Subsidiary; or (iii) any cost, expense, liability or obligation (including with respect to any Taxes but excluding any reasonable guarantee or similar fee payable to the Parent Guarantor or any Restricted Subsidiary) other than reasonable out-of-pocket expenses and other than reasonable governmental expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures undertaken in connection with, such Guarantee, in each case, which cannot be prevented or otherwise avoided through measures reasonably available to the Parent Guarantor and its Restricted Subsidiaries (including, to the extent necessary to allow for the issuance of such Guarantee, limiting such Guarantee as necessary to recognize certain defenses generally available to guarantors); *provided* that the Parent Guarantor will procure that the relevant Restricted Subsidiary becomes a Guarantor at such time as all of the items described in clauses (i) through (iii) above no longer apply to it or no longer would prohibit such Restricted Subsidiary from becoming a Guarantor (or prevent the Parent Guarantor from causing such Restricted Subsidiary to become a Guarantor).

SEC Reports

The Indenture will provide as follows:

(a) Notwithstanding that the Parent Guarantor 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 Parent Guarantor 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 Parent Guarantor 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 Parent Guarantor were so subject to SEC reporting requirements as a non-accelerated filer.

(b) The Parent Guarantor will be deemed to have satisfied the requirements of this covenant if any Parent files reports, documents and information of the types otherwise so required, in each case within the applicable time periods. If such Parent has material operations separate and apart from its ownership of the Parent Guarantor, then the Parent Guarantor or such Parent will provide consolidating information, which need not be audited, that explains in reasonable detail the differences between the information relating to such Parent and its Subsidiaries, on the one hand, and the information relating to the Parent Guarantor and its Subsidiaries on a standalone basis, on the other hand.

(c) 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 Parent Guarantor's or any such Parent's accountants not being "independent" (as defined pursuant to the Exchange Act and the rules and regulations of the SEC thereunder), the Parent Guarantor or such Parent may, in lieu of making such filing, 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 (i) the Parent Guarantor or such Parent shall in any event be required to make such filing no later than the first

anniversary of the date on which the same was otherwise required pursuant to the preceding provisions of this paragraph (such initial date, the "*Reporting Date*") and (ii) if the Parent Guarantor or such Parent makes such an election and such filing has not been made, 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, 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 Parent Guarantor).

(d) Commencing with the quarter ending June 30, 2018, the Issuer will provide to the Trustee a European Borrowing Base Certificate for each quarter as soon as such European Borrowing Base Certificate becomes available, but in any event within 20 Business Days after the end of each quarter.

(e) Delivery of any information documents and reports to the Trustee pursuant to this "Reports" covenant is for informational purposes only and the Trustee's receipt of such information, documents and reports, shall not constitute constructive notice of any information contained therein, including the Issuer's compliance with any covenants under the Indenture.

Listing

The Indenture will provide as follows:

The Issuer will use its commercially reasonable efforts to maintain the listing of the Notes on an internationally recognized stock exchange for so long as such Notes are outstanding.

Merger and Consolidation

The Indenture will provide that the Parent Guarantor 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 Parent Guarantor*") 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 Parent Guarantor (if not the Parent Guarantor) will expressly assume all the obligations of the Parent Guarantor under the Notes and the Indenture by executing and delivering to the Trustee a supplemental indenture or one or more other documents or instruments;

(ii) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Parent Guarantor or any Restricted Subsidiary as a result of such transaction as having been Incurred by the Successor Parent Guarantor or such Restricted Subsidiary at the time of such transaction), no Default will have occurred and be continuing;

(iii) the Issuer and 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, confirming, with regard to the Issuer, its obligations under the Notes, and with regard to a Subsidiary Guarantor, its Subsidiary Guarantee (other than any Subsidiary Guarantee that will be discharged or terminated in connection with such transaction); and

(iv) the Parent Guarantor 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 the penultimate paragraph of this covenant.

The Indenture will also provide that the Issuer will not consolidate with or merge with or into any Person, unless:

(i) the resulting or surviving Person (the "*Successor Issuer*") will be a Person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia, the United Kingdom or a member state of the European Union and the Successor Issuer (if not the Issuer) will expressly assume all the obligations of the Issuer under the Notes and the Indenture by executing and delivering to the Trustee a supplemental indenture or one or more other documents or instruments;

(ii) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Parent Guarantor or any Restricted Subsidiary as a result of such transaction as having been Incurred by the Parent Guarantor or such Restricted Subsidiary at the time of such transaction), no Default will have occurred and be continuing;

(iii) each applicable Guarantor (other than (x) any Guarantor that will be released from its obligations under its 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, confirming its Guarantee (other than any Guarantee that will be discharged or terminated in connection with such transaction); and

(iv) the Parent Guarantor 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 (i) and (ii) and as to any matters of fact, and (y) no Opinion of Counsel will be required for a consolidation, merger or transfer described in the penultimate paragraph of this covenant.

Any Indebtedness that becomes an obligation of the Issuer or the Parent Guarantor (or, if applicable, the Successor Issuer or the Successor Parent Guarantor with respect thereto) 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 covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under "*—Certain Covenants—Limitation on Indebtedness*."

The Successor Issuer or the Successor Parent Guarantor, as applicable, will succeed to, and be substituted for, and may exercise every right and power of, the Issuer or the Parent Guarantor, as applicable, under the Indenture, and thereafter the predecessor Issuer or the predecessor Parent Guarantor, as applicable, shall be relieved of all obligations and covenants under the Indenture, except that the predecessor Issuer or the predecessor Parent Guarantor, as applicable, in the case of a lease of all or substantially all its assets will not be released from the obligation to pay the principal of and interest on the Notes.

Clause (ii) of the first paragraph and clause (ii) of the second paragraph of this "Merger and Consolidation" covenant will not apply to any transaction in which the Parent Guarantor or the Issuer, as applicable, 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 Parent Guarantor or the Issuer, as applicable, in another jurisdiction or changing its legal structure to a corporation or other entity or (y) a Restricted Subsidiary of the Parent Guarantor so long as all assets of the Parent Guarantor 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. The first paragraph of this

"Merger and Consolidation" covenant will not apply to any transaction in which any Restricted Subsidiary consolidates with, merges into or transfers all or part of its assets to the Parent Guarantor. The second paragraph of this "Merger and Consolidation" covenant will not apply to any transaction in which any Restricted Subsidiary consolidates with, merges into or transfers all or part of its assets to the Issuer.

For the purpose of this covenant, 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 Parent Guarantor 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 Parent Guarantor and its Restricted Subsidiaries.

Financial Calculations for Limited Condition Transactions

The Indenture will provide that, in connection with any Limited Condition Transaction and any related transactions (including any financing thereof), at the Parent Guarantor's election, (a) compliance with any requirement relating to the absence of a European Borrowing Base Deficiency, Default, Event of Default or specified Event of Default, as applicable, may be determined as of the date a definitive agreement for such Limited Condition Transaction is entered into or irrevocable notice of redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness, Disqualified Stock or Preferred Stock is given (the "*effective date*") and not as of any later date as would otherwise be required under the Indenture, and (b) any calculation of a European Borrowing Base Deficiency, the Consolidated Coverage Ratio, the Consolidated Secured Leverage Ratio, the Consolidated Total Corporate Leverage Ratio, or any amount based on Consolidated Tangible Assets, or any other determination under any basket or ratio under the Indenture, or any other determination as to whether any such Limited Condition Transaction and any related transactions (including any financing thereof) complies with the covenants or agreements contained in the Indenture, may be made as of such effective date and, to the extent so made, will not be required to be made at any later date as would otherwise be required under the Indenture, giving pro forma effect to such Limited Condition Transaction and any related transactions (including any Incurrence or Discharge of Indebtedness and the use of proceeds of any such Incurrence); *provided* that, for the avoidance of doubt, if any such basket, ratio or amount is exceeded as a result of fluctuations in such basket, ratio or amount (including due to fluctuations in Consolidated EBITDA, Consolidated Tangible Assets or any applicable currency exchange rate) subsequent to such date of calculation or determination and at or prior to the consummation of the relevant Limited Condition Transaction, such basket, ratio or amount will not be deemed to have been exceeded as a result of such fluctuations for purposes of determining whether the Limited Condition Transaction is permitted under the Indenture. The Indenture will also provide that, if the Parent Guarantor makes such an election, any subsequent calculation of any such ratio and/or percentage (unless the definitive agreement for such Limited Condition Transaction expires or is terminated without its consummation) shall be calculated on an equivalent pro forma basis. As used herein, the term "*Limited Condition Transaction*" means (x) any acquisition, including by way of merger, amalgamation, consolidation or other business combination or the acquisition of Capital Stock or otherwise, by one or more of the Parent Guarantor and its Restricted Subsidiaries of any assets, business or Person or any other Investment permitted by the Indenture whose consummation is not conditioned on the availability of, or on obtaining, third party financing or (y) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness, Disqualified Stock or Preferred Stock requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or prepayment.

Defaults

An Event of Default will be defined in the Indenture as:

(i) a default in any payment of interest on any Note when due, continued for 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 Parent Guarantor or the Issuer, as the case may be, to comply with its obligations under the first or second paragraph, as applicable, of the covenant described under "*—Merger and Consolidation*" above;

(iv) the failure by the Parent Guarantor or the Issuer, as the case may be, to comply for 30 days after notice with any of its obligations under the covenant described under "*—Change of Control Triggering Event*" above (other than a failure to purchase Notes);

(v) the failure by the Issuer to comply for (x) 180 days after notice with any of its obligations under the covenant described under "*—Certain Covenants—SEC Reports*" or (y) 60 days after notice with its other agreements contained in the Notes or the Indenture;

(vi) the failure by any Guarantor to comply for 60 days after notice with its obligations under its Guarantee;

(vii) the failure by the Parent Guarantor or any Restricted Subsidiary to pay any Indebtedness for borrowed money (other than Indebtedness owed to the Parent Guarantor 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 $100.0 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 (the "*cross acceleration provision*");

(viii) certain events of bankruptcy, insolvency or reorganization of the Parent Guarantor, the Issuer or a Significant Subsidiary (the "*bankruptcy provisions*");

(ix) 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 $100.0 million or its foreign currency equivalent against the Parent Guarantor or a Significant Subsidiary (including the Issuer), that is not discharged, supported by a letter of credit 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 (the "*judgment default provision*"); or

(x) the failure of any Guarantee by the Parent Guarantor or a Subsidiary Guarantor that is a Significant Subsidiary to be in full force and effect (except as contemplated by the terms thereof or of the Indenture) or the denial or disaffirmation in writing by the Parent Guarantor or any Subsidiary Guarantor that is a Significant Subsidiary of its obligations under the Indenture or any Guarantee (other than by reason of the termination of the Indenture or such Guarantee or the release of such Guarantee in accordance with such Guarantee or the 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.

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 30.0% in principal amount of the outstanding Notes notify the Issuer in writing of the Default and the Issuer 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.

If an Event of Default (other than a Default relating to certain events of bankruptcy, insolvency or reorganization of the Parent Guarantor or the Issuer) occurs and is continuing under the Indenture, the Trustee by written notice to the Issuer and the Parent Guarantor (with a copy to the Paying Agent), or the Holders of at least 30.0% in principal amount of the outstanding Notes by written notice to the Issuer and the Parent Guarantor and the Trustee (with a copy to the Paying Agent), 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 relating to certain events of bankruptcy, insolvency or reorganization of the Parent Guarantor or the Issuer occurs and is continuing, 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. Under certain circumstances, the Holders of a majority in principal amount of the outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee and if requested, provided indemnity and/or security satisfactory to the Trustee against any loss, liability or expense. Except to institute suit for the enforcement of payment of principal of and interest on any Note of such Holder on or after the respective Stated Maturity for such principal or interest payment dates for such interest expressed in such Note, no Holder may pursue any remedy with respect to the 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 30.0% in principal amount of the outstanding Notes have requested the Trustee in writing to pursue the remedy, (iii) such Holders have offered the Trustee security and/or indemnity satisfactory to it against any loss, liability or expense, (iv) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/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 such request within such 60 day period. Subject to certain restrictions, the Holders of a majority in principal amount of the outstanding Notes are given 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. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification and/or security satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

The Indenture will provide that if a Default occurs and is continuing and is known to the Trustee, the Trustee shall send to each Holder notice of the Default within the later of 90 days after it occurs or 30 days after the Trustee obtains knowledge thereof. Except in the case of a Default in the payment of principal of, or premium (if any) or interest on, any Note, the Trustee may withhold notice if and so

long as the Trustee in good faith determines that withholding such notice is in the interests of the Holders. In addition, the Parent Guarantor and the Issuer are required to deliver to the Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default occurring during the previous year. The Parent Guarantor and the Issuer are also required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any event that would constitute certain Defaults, their status and what action the Parent Guarantor and the Issuer are taking or propose to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the Indenture and the Notes may be amended or supplemented with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes (including Additional Notes, if any) then outstanding voting as a single class and any past default or compliance with any provisions may be waived with the consent of the Holders of not less than a majority in principal amount of the Notes (including Additional Notes, if any) then outstanding voting as a single class (including in each case, consents obtained in connection with a tender offer or exchange offer for Notes); *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 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, consents obtained in connection with a tender offer or exchange offer for Notes) shall be required.

However, without the consent of Holders of at least 90.0% of the principal amount of the Notes affected, no amendment or waiver may (i) reduce the principal amount of 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 or make any change in the provisions of the Indenture and the Notes relating to the payment of Additional Amounts that adversely affect the rights of any Holder in any material respect, (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 under "*—Optional Redemption*" above, (v) make any Note payable in money other than that stated in such Note, (vi) amend or waive the legal right of any Holder of any Note to receive payment of principal of and interest on such Note on or after the respective Stated Maturity for such principal or interest payment date for such interest expressed in such Note, or to institute suit for the enforcement of any such payment on or after such respective Stated Maturity or interest payment date, or (vii) make any change in the amendment or waiver provisions described in this sentence. Any amendment, supplement or waiver consented to by Holders of at least 90.0% of the principal amount of the Notes affected will be binding on any non-consenting Holder of the Notes affected.

Without the consent of (or notice to) the Holders, the Issuer, the Trustee and (as applicable) any Guarantor may amend or supplement the Indenture or any Note: to cure any ambiguity, mistake, omission, defect or inconsistency (as determined by the Issuer); to provide for the assumption by a successor of the obligations of the Issuer or a Guarantor under the Indenture or any Note; to provide for uncertificated Notes in addition to or in place of certificated Notes; 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 the Indenture or the Notes; to add to the covenants of the Parent Guarantor or the Issuer for the benefit of the Holders or to surrender any right or power conferred upon the Parent Guarantor or the Issuer; to provide for or confirm the

issuance of the initial Notes or Additional Notes; to conform the text of the Indenture (including any supplemental indenture or other instrument pursuant to which Additional Notes are issued), the Notes (including any Additional Notes) or any Guarantee to any provision of this "*Description of Notes*" 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*" 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 Notes offered hereby; to increase or decrease the Minimum Denomination of the Notes (including for the purposes of redemption or repurchase of any Note in part); to make any change that does not materially adversely affect the rights of any Holder (as determined by the Issuer); or to comply with any requirement of the SEC.

In formulating its opinion on such matters, the Trustee will be entitled to request, and rely absolutely on, such evidence as it deems appropriate, including Opinions of Counsel and Officer's Certificates.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment, supplement or waiver. It is sufficient if such consent approves the substance of the proposed amendment, supplement or waiver. Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by such Holder and every subsequent Holder of all or part of the related Note. Any such Holder or subsequent Holder may revoke such consent as to its Note by written notice to the Trustee or the Issuer, received thereby before the date on which the Issuer certifies to the Trustee that the Holders of the requisite principal amount of Notes have consented to such amendment, supplement or waiver. After an amendment, supplement or waiver that requires consent of Holders under the Indenture becomes effective, the Issuer is required to send to Holders a notice briefly describing such amendment, supplement or waiver. However, the failure to give such notice to all Holders, or any defect therein, will not impair or affect the validity of the amendment, supplement or waiver.

Defeasance

The Issuer at any time may terminate all of the respective obligations of the Parent Guarantor and the Issuer under the Notes and the Indenture ("*legal defeasance*"), except for certain obligations of the Issuer, including those relating to the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a Registrar and Paying Agent in respect of the Notes. The Issuer at any time may terminate the respective obligations of the Parent Guarantor and the Issuer under certain covenants under the Indenture, including the covenants described under "*—Certain Covenants*" (other than the covenant described under "*—Listing*") and "*—Change of Control Triggering Event*," the operation of the default provisions relating to such covenants described under "*—Defaults*" above, the operation of the cross acceleration provision, the bankruptcy provisions with respect to Subsidiaries and the judgment default provision described under "*—Defaults*" above, and the limitations contained in clauses (iii) and (iv) of the first paragraph and clauses (iii) and (iv) of the second paragraph under "*—Merger and Consolidation*" above ("*covenant defeasance*"). If the Issuer exercises its legal defeasance option or its covenant defeasance option, each Guarantor will be released from all of its obligations with respect to its Guarantee.

The Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect thereto. If the Issuer exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clause (iv), (v) (as it relates to the covenants described under "*—Certain Covenants*" above (other than the covenant described under "*—Listing*")), (vi), (vii), (viii) (but only with respect to events of bankruptcy, insolvency or reorganization of a Subsidiary other than the Issuer), (ix) or (x) under "*—Defaults*" above or because of the failure of the Parent Guarantor or the

Issuer to comply with clause (iii) or (iv) of the first paragraph and clause (iii) or (iv) of the second paragraph under "*—Merger and Consolidation*" above.

Either defeasance option may be exercised to any Redemption Date or to the maturity date for the Notes. In order to exercise either defeasance option, the Issuer must irrevocably deposit or cause to be deposited in trust (the "*defeasance trust*") with the Trustee (or such other entity directed, designated or appointed by (and acting for) the Trustee for this purpose) money or European Government Obligations, or a combination thereof, sufficient (without reinvestment) to pay principal of, and premium (if any) and interest on, the Notes to redemption or maturity, as the case may be (provided that if such redemption is made pursuant to the provisions described in the fourth paragraph under "*—Optional Redemption*," (x) the amount of money or European Government Obligations, or a combination thereof, that the Issuer 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 Issuer in good faith (which calculation will be conclusive), and (y) the Issuer must irrevocably deposit or cause to be deposited additional money in trust on the applicable Redemption Date as necessary to pay the Applicable Premium as determined on such date), and must comply with certain other conditions, including delivery to the Trustee of an Opinion of Counsel to the effect that Holders of the Notes will not recognize gain or loss for U.S. federal income tax purposes as a result of such defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such defeasance had not occurred (and, in the case of legal defeasance only, such Opinion of Counsel (x) must be based on a ruling of the Internal Revenue Service or other change in applicable U.S. federal income tax law since the Issue Date and (y) need not be delivered if all Notes not theretofore delivered to the Registrar for cancellation have become due and payable, will become due and payable at their Stated Maturity within one year, or have been called for redemption or are to be called for redemption within one year, under arrangements reasonably satisfactory to the Paying Agent and the Trustee for the giving of notice of redemption by the Paying Agent or the Trustee in the name, and at the expense, of the Issuer).

Satisfaction and Discharge

The Indenture and Notes will be discharged and cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes and certain rights of the Trustee, as expressly provided for in the Indenture) when (i) either (a) all Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes, and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been cancelled or delivered to the Registrar for cancellation or (b) all Notes not previously cancelled or delivered to the Registrar for cancellation (1) have become due and payable, (2) will become due and payable at their Stated Maturity within one year or (3) have been called for redemption or are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee and the Paying Agent for the giving of notice of redemption by the Paying Agent or the Trustee in the name, and at the expense, of the Issuer; (ii) the Issuer has irrevocably deposited or caused to be deposited with the Trustee (or such other entity directed, designated or appointed by (and acting for) the Trustee for this purpose) money, European Government Obligations, or a combination thereof, sufficient (without reinvestment) to pay and discharge the entire indebtedness on the Notes not previously cancelled or delivered to the Registrar for cancellation, for principal, 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 the provisions described in the fourth paragraph under "*—Optional Redemption*," (1) the amount of money or European Government Obligations, or a combination thereof, that the Issuer 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 Issuer in good faith (which calculation shall be conclusive), and (2) the Issuer must irrevocably deposit or cause to be deposited additional

money on the applicable Redemption Date as necessary to pay the Applicable Premium as determined on such date); (iii) the Issuer has paid or caused to be paid all other sums payable under the Indenture by the Issuer; (iv) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited amounts towards the payment of the Notes at maturity or on the redemption date, as the case may be; and (v) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "Satisfaction and Discharge" section of the Indenture relating to the satisfaction and discharge of the 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)).

Judgment Currency

Any payment on account of an amount that is payable in Euros (the "*Required Currency*") which is made to or for the account of any Holder or the Trustee in lawful currency of any other jurisdiction (the "*Judgment Currency*"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer or any Guarantor, shall constitute a discharge of the Issuer's or the Guarantor's obligation under the Indenture and the Notes, as the case may be, only to the extent of the amount of the Required Currency which such Holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such Holder or the Trustee, as the case may be, under the Indenture or the Notes, the Issuer shall indemnify and hold harmless the Holder or the Trustee, as the case may be, from and against all loss sustained by such recipient as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture or the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under the Indenture, the Notes or any judgment or order.

No Personal Liability of Directors, Officers, Employees, Incorporators and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer, any Guarantor or any Subsidiary of any thereof shall have any liability for any obligation of the Issuer or any Guarantor under the Indenture, the Notes or any Guarantee, or for any claim based on, in respect of, or by reason of, any such obligation or its creation. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Concerning the Trustee

Wilmington Trust, National Association, will be the Trustee under the Indenture.

The Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the 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.

The Indenture will impose certain limitations on the rights of the Trustee, should it become a creditor of the Issuer, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions; *provided*, that if it acquires any conflicting interest, it must eliminate such conflict or resign.

The Trustee, its officers, directors, employees and agents (including legal advisors) shall not be responsible or liable for the validity or sufficiency of the Notes or Indenture or for the contents of this offering memorandum.

Listing

The Issuer intends to apply to the Authority for the Notes to be listed on the Official List of the Exchange. The Notes are expected to be listed by the date of the Indenture or as soon as practicable thereafter; however, there can be no assurance that the application to list the Notes on the Official List of the Exchange will be approved, and settlement of the Notes is not conditioned on obtaining such listing.

Transfer and Exchange

The Global Notes (as defined below) may be transferred only to Euroclear, Clearstream, their common depositary or a successor or nominee of such entities. Ownership of interests in the Global Notes ("*Book-Entry Interests*") will be subject to certain restrictions on transfer and certification requirements.

All transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or Clearstream pursuant to the Indenture and customary procedures established by Euroclear or Clearstream and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Notes sold within the United States of America to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one Global Note in registered form without interest coupons attached (the "*144A Global Note*"), and notes sold outside the United States of America pursuant to Regulation S under the Securities Act will initially be represented by one Global Note in registered form without interest coupons attached (the "*Reg S Global Note*," and together with the 144A Global Note, the "*Global Notes*"). Book-Entry Interests in the 144A Global Note, or the "*Restricted Book-Entry Interests*," may be transferred to a Person who takes delivery in the form of Book-Entry Interests in the Reg S Global Note, or the "*Reg S Book-Entry Interests*," only upon delivery by the transferor of a written order given in accordance with the procedures of Euroclear or Clearstream, as applicable, containing information regarding the participant account of Euroclear or Clearstream to be credited with a Book-Entry Interest, together with certifications and other information satisfactory to the Issuer and the Transfer Agent. Prior to 40 days after the date of initial issuance of the Notes, ownership of Reg S Book-Entry Interests will be limited to Persons who have accounts with Euroclear or Clearstream or Persons who hold interests through Euroclear or Clearstream, and any sale or transfer of such interest to U.S. Persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A. Subject to the foregoing, Reg S Book-Entry Interests may be transferred to a Person who takes delivery in the form of Restricted Book-Entry Interests only upon delivery by the transferor of a written order given in accordance with the procedures of Euroclear or Clearstream, as applicable, together with a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a Person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with applicable transfer restrictions and all applicable securities laws of the United States of America, any state of the United States of America or any other jurisdiction.

Any Book-Entry Interest that is so transferred will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and become a Book-Entry Interest in the Global Note to which it was transferred, and accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such Global Note to which it was transferred for as long as it remains such a Book-Entry Interest. In connection with such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Global Note from which it was transferred and a corresponding increase in the principal amount of the Global Note to which it was transferred, as applicable.

If Physical Notes are issued, they will be issued only in the limited circumstances provided in the Indenture and in the Minimum Denomination and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates and other documentation required by the applicable rules and procedures of Euroclear and Clearstream, as the case may be, and the Indenture. Physical Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture, be subject to, and will have a legend with respect to, certain transfer restrictions.

Subject to certain restrictions on transfer, Notes issued as Physical Notes may be transferred, in whole or in part, in the Minimum Denomination or integral multiples of €1,000 in excess thereof, to Persons who take delivery thereof in the form of Physical Notes. In connection with any such transfer, the Indenture will require the transferor to, among other things, furnish appropriate endorsements and transfer documents, furnish certain certificates and to pay any Taxes, duties and governmental charges in connection with such transfer. Any such transfer will be made without charge to the Holder, other than any Taxes, duties and governmental charges payable in connection with such transfer.

Notwithstanding the foregoing, the Issuer is not required to issue, exchange or transfer any Note:

(a) for a period of 15 Business Days before the day of the sending of any notice of redemption or purchase;

(b) for a period of 15 calendar days immediately prior to the date fixed for selection of Notes for redemption or purchase;

(c) for a period of 15 calendar days prior to the regular record date with respect to any interest payment date; or

(d) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Offer.

Additional Information

Anyone who receives this offering memorandum may, following the Issue Date, obtain a copy of the Indenture, without charge, to the extent not otherwise publicly filed with the SEC, by writing to the Issuer, care of The Hertz Corporation at 8501 Williams Road, Estero, Florida, USA 33928.

Governing Law

The Indenture will provide that it and the Notes will be governed by, and construed in accordance with, the laws of the State of New York.

The Issuer has not qualified and does not expect to qualify the Indenture under the U.S. Trust Indenture Act of 1939, as amended (the "*TIA*"). The Indenture will accordingly not be subject to the TIA, and will not contain any provision corresponding or similar to TIA §316(b).

Consent to Jurisdiction and Service of Process

The Issuer, each Guarantor, any other obligor in respect of the Notes and the Trustee will each irrevocably agree to submit to the jurisdiction of any New York state or U.S. federal court located in

the Borough of Manhattan, City of New York, State of New York in relation to any legal action or proceeding (i) arising out of, related to or in connection with the Indenture or the Notes or (ii) arising under any U.S. federal or U.S. state securities laws. The Issuer and each Non-U.S. Subsidiary Guarantor will appoint CT Corporation System, 111 Eighth Avenue, 13th Floor, New York, New York 10011, U.S.A. as its agent for service of process in any such action or proceeding.

Certain Definitions

"*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.

"*Acquisition Indebtedness*" means Indebtedness of (A) the Parent Guarantor or any Restricted Subsidiary Incurred to finance or refinance, or otherwise Incurred in connection with, any acquisition of any assets (including Capital Stock), business or Person, or any merger or consolidation of any Person with or into the Parent Guarantor or any Restricted Subsidiary, or (B) any Person that is acquired by or merged or consolidated with or into the Parent Guarantor or any Restricted Subsidiary (including Indebtedness thereof Incurred in connection with any such acquisition, merger or consolidation).

"*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 Parent Guarantor 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 Parent Guarantor 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 Securities*" means any Indebtedness of the Issuer consisting of bonds, debentures, notes or other similar debt securities issued in (i) a public offering registered under the U.S. Securities Act or (ii) a private placement to institutional investors whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale; provided that such securities (a) rank pari passu with the Notes; (b) are unsecured; (c) have a final Stated Maturity that is equal or greater than the final Stated Maturity of the Notes; and (d) are issued in compliance with the terms of the Indenture.

"*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.

"*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 purposes of this definition as a "*disposition*") by the Parent Guarantor 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 Parent Guarantor 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, as determined by the Parent Guarantor in good faith, which determination shall be conclusive) 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 Investment or any Restricted Payment Transaction, (vi) a disposition that is governed by the provisions described under "*—Merger and Consolidation,*" (vii) any Financing Disposition, (viii) any "*fee in lieu*" or other disposition of assets to any Governmental Authority that continue in use by the Parent Guarantor or any Restricted Subsidiary, so long as the Parent Guarantor 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 Parent Guarantor or any Restricted Subsidiary after October 16, 2012, including any sale/leaseback transaction or asset securitization, (xi) any disposition arising from foreclosure, condemnation, eminent domain 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 Parent Guarantor in good faith, which determination shall be conclusive) 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, or of non-core assets acquired in connection with any acquisition of any Person, business or assets or any Investment, (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 Parent Guarantor 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 5.0% of the outstanding Capital Stock of a Foreign Subsidiary that is not the Issuer and that has been approved by the Board of Directors, (xv) any disposition or series of related dispositions for aggregate consideration not to exceed $75.0 million, (xvi) any disposition of all or any part of the Capital Stock or business or assets of (a) Car Rental System do Brasil Locacão de Veículos Ltda or any successor in interest thereto, (b) any other Subsidiary engaged in, or Special Purpose Entity otherwise supporting or relating to, the business of leasing or renting Vehicles in Brazil or (c) CAR Inc. or any successor in interest thereto, (xvii) the abandonment or other disposition of trademarks, copyrights, patents or other intellectual property that are, in the good faith determination of the Parent Guarantor (which determination shall be conclusive), no longer economically practicable to maintain or useful in the conduct of the business of the Parent Guarantor and its Subsidiaries taken as a whole, (xviii) any license, sublicense or other grant of rights in or to any trademark, copyright, patent or other intellectual property, (xix) any lease or sublease of real or other property, (xx) any disposition for Fair Market Value to any Franchisee or any Franchise Special Purpose Entity, (xxi) any disposition of securities pursuant to an agreement entered into in connection with any securities lending or other securities financing transaction to the extent such securities were otherwise permitted to be disposed of at the time of entering into the agreement for such securities lending or other securities financing transaction or (xxii) any other disposition if on a pro forma basis after giving effect to such disposition (including any application of proceeds therefrom) the Consolidated Total Corporate Leverage Ratio would be equal to or less than 4.00:1.00.

"*Bank Products Agreement*" means any agreement pursuant to which a bank or other financial institution or other Person agrees to provide (a) treasury services, (b) credit card, debit card, merchant card, purchasing card, stored value card, non-card electronic payable or other similar services (including the processing of payments and other administrative services with respect thereto), (c) cash management or related services (including 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, financial or treasury products or services as may be requested by the Parent Guarantor or 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 of directors or other governing body. Unless otherwise provided, "*Board of Directors*" means the Board of Directors of the Parent Guarantor.

"*Borrowing Base*" means the sum of (1) 95.0% of the book value of Inventory (excluding Vehicles) of the Parent Guarantor and its Restricted Subsidiaries, (2) 95.0% of the book value of Receivables of the Parent Guarantor and its Restricted Subsidiaries, (3) 95.0% of the book value of Vehicles of the Parent Guarantor and its Restricted Subsidiaries and (4) cash, Cash Equivalents, Investment Grade Securities and Temporary Cash Investments of the Parent Guarantor and its Restricted Subsidiaries (in each case, determined as of the end of the most recently ended fiscal month of the Parent Guarantor for which internal consolidated financial statements of the Parent Guarantor 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).

"*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, London, United Kingdom, or Luxembourg (or any other city in which a Paying Agent maintains its office).

"*Capital Stock*" of any Person means any and all shares or units 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 Parent Guarantor that is subject to regulation as an insurance company (or any Subsidiary 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, the United Kingdom or any agency or instrumentality of any thereof, (c) time deposits, certificates of deposit or bankers' acceptances of (i) any bank or other institutional lender under the Senior Credit Facility, the Letter of Credit Facility or the European Revolving Credit Facility or any affiliate thereof or (ii) any commercial bank having capital and surplus in excess of $500.0 million (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 rating agency recognized internationally or in the United States of America), (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)(i) or (c)(ii) 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 rating agency recognized internationally or in the United States of America), (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) investment funds investing at least 95.0% of their assets in cash equivalents of the types described in clauses (a) through (f) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution), (h) investments similar to any of the foregoing denominated in foreign currencies approved by the Board of Directors, and (i) solely with respect to any Captive Insurance Subsidiary, any investment that person is permitted to make in accordance with applicable law.

"*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.

"*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 of the Parent Guarantor ending prior to the date of such determination for which consolidated financial statements of the Parent Guarantor are available to (ii) Consolidated Interest Expense for such four fiscal quarters, *provided*, that

(1) if since the beginning of such period the Parent Guarantor or any Restricted Subsidiary has Incurred any Indebtedness or the Parent Guarantor has issued any Designated Preferred Stock 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 or an issuance of Designated Preferred Stock of the Parent Guarantor, Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness or Designated Preferred Stock as if such Indebtedness or Designated Preferred Stock had been Incurred or issued, as applicable, 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 Parent Guarantor or any Restricted Subsidiary has repaid, repurchased, redeemed, defeased or otherwise acquired, retired or discharged any Indebtedness or any Designated Preferred Stock of the Parent Guarantor 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 except to the extent such Indebtedness has been repaid with an equivalent permanent reduction in commitments thereunder) or a Discharge of Designated Preferred Stock of the Parent Guarantor, 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 or Designated Preferred Stock, including with the proceeds of such new Indebtedness or new Designated Preferred Stock of the Parent Guarantor, as if such Discharge had occurred on the first day of such period;

(3) if, since the beginning of such period, the Parent Guarantor or any Restricted Subsidiary shall have disposed of any company, any business or any group of assets constituting an operating unit of a business, including any such disposition occurring in connection with a transaction causing a calculation to be made hereunder, or designated any Restricted Subsidiary as an Unrestricted

Subsidiary (any such disposition or designation, 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 Parent Guarantor or any Restricted Subsidiary repaid, repurchased, redeemed, defeased or otherwise acquired, retired or discharged with respect to the Parent Guarantor and its continuing Restricted Subsidiaries in connection with such Sale for such period (including through the assumption of such Indebtedness by another Person) plus (B) if the Capital Stock of any Restricted Subsidiary is disposed of in such Sale or any Restricted Subsidiary is designated as an Unrestricted Subsidiary, the Consolidated Interest Expense for such period attributable to the Indebtedness of such Restricted Subsidiary to the extent the Parent Guarantor and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such Sale;

(4) if, since the beginning of such period, the Parent Guarantor 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, or designated any Unrestricted Subsidiary as a Restricted Subsidiary (any such Investment, acquisition or designation, 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 Parent Guarantor 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 Parent Guarantor 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 Issuer shall classify Indebtedness Incurred on the date of determination as Incurred in part under paragraph (a) of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" and in part under paragraph (b) of such covenant, as provided in paragraph (d)(iii) of such covenant) 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 such paragraph (b) or to any Discharge of Indebtedness from the proceeds of any such Incurrence pursuant to such paragraph (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, Designated Preferred Stock issued, or Indebtedness or Designated Preferred Stock repurchased, redeemed, defeased or otherwise acquired, retired or discharged in connection therewith, the pro forma calculations in respect thereof (including 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 Parent Guarantor, which determination shall be conclusive. 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 Parent Guarantor 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 Parent Guarantor 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 Parent Guarantor (which determination shall be conclusive) 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 (including penalties and interest, if any), (ii) Consolidated Interest Expense, all items excluded from the definition of Consolidated Interest Expense pursuant to clauses (iii)(u) through (iii)(z) thereof and any Special Purpose Financing Fees, and to the extent not reflected in Consolidated Interest Expense, costs of surety bonds in connection with financing activities, (iii) depreciation (excluding Consolidated Vehicle Depreciation), amortization (including amortization of goodwill and intangibles and amortization and write-off of financing costs), (iv) all other noncash charges or noncash losses, (v) any expenses or charges related to any Equity Offering, Investment or Indebtedness permitted by the 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 Parent Guarantor or its Restricted Subsidiaries), (vi) the amount of any minority interest expense, (vii) the amount of loss on any Financing Disposition, (viii) any costs or expenses pursuant to any management or employee stock option or other equity-related plan, program or arrangement, or other benefit plan, program or arrangement, or any equity subscription or equityholder agreement, to the extent funded with cash proceeds contributed to the capital of the Parent Guarantor or an issuance of Capital Stock of the Parent Guarantor (other than Disqualified Stock) and (ix) realized foreign exchange losses resulting from the impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Parent Guarantor and its Restricted Subsidiaries, plus (y) the amount of net cost savings projected by the Parent Guarantor in good faith (which determination shall be conclusive) 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 Issue 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 20.0% of Consolidated EBITDA for such period (calculated after giving effect to any adjustment pursuant to this clause (y) (which adjustments may be incremental to pro forma adjustments made pursuant to the proviso to the definition of "*Consolidated Coverage Ratio*," "*Consolidated Secured Leverage Ratio*" or "*Consolidated Total Corporate Leverage Ratio*")).

"*Consolidated Interest Expense*" means, for any period, (i) the total interest expense of the Parent Guarantor and its Restricted Subsidiaries to the extent deducted in calculating Consolidated Net Income, net of any interest income of the Parent Guarantor and its Restricted Subsidiaries, including 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 Parent Guarantor or any Restricted Subsidiary, but only to the extent that such interest is actually paid by the Parent Guarantor 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 Parent Guarantor held by Persons other than the Parent Guarantor or a Restricted Subsidiary, or in respect of Designated Preferred Stock of the Parent Guarantor pursuant to clause (xii)(A) of paragraph (b) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," minus (iii) to the extent otherwise included in such interest expense referred to in clause (i) above, (t) Consolidated Vehicle Interest Expense, (u) amortization or write-off of financing costs, (v) accretion or accrual of discounted liabilities not constituting Indebtedness, (w) any expense resulting from discounting of Indebtedness in conjunction with recapitalization or purchase accounting, (x) any "additional interest" in respect of registration rights arrangements for any securities, (y) any expensing of bridge, commitment and other financing fees and (z) interest with respect to Indebtedness of any Parent appearing upon the balance sheet of the Parent Guarantor solely by reason of push-down accounting under GAAP, 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 Parent Guarantor and its Restricted Subsidiaries with respect to Interest Rate Agreements.

"*Consolidated Net Income*" means, for any period, the net income (loss) of the Parent Guarantor 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, without duplication, there shall not be included in such Consolidated Net Income:

(i) any net income (loss) of any Person if such Person is not the Parent Guarantor or a Restricted Subsidiary, except that (A) the Parent Guarantor'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 dividended or distributed or that (as determined by the Parent Guarantor in good faith, which determination shall be conclusive) could have been dividended or distributed by such Person during such period to the Parent Guarantor 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 Parent Guarantor'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 Parent Guarantor or any of its Restricted Subsidiaries in such Person;

(ii) solely for purposes of determining the amount available for Restricted Payment under clause (b)(vi)(y) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," any net income (loss) of any Restricted Subsidiary that is not the Issuer or 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 Parent Guarantor 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 the Indenture and (z) restrictions in effect on the Issue Date with respect to a Restricted Subsidiary and other restrictions with respect to any Restricted Subsidiary that taken as a whole are not materially less favorable to the Holders than such restrictions in effect on the Issue Date as determined by the Parent Guarantor in good faith, which determination shall be conclusive), except that (A) the Parent Guarantor'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 (as determined by the Parent Guarantor in good faith, which determination shall be conclusive) have been made by such Restricted Subsidiary during such period to the Parent Guarantor 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(ii)) and (B) the net loss of such Restricted Subsidiary shall be included to the extent of the aggregate Investment of the Parent Guarantor 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 Parent Guarantor 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 Parent Guarantor, which determination shall be conclusive) and (y) any gain or loss realized upon the disposal, abandonment or discontinuation of operations of the Parent Guarantor or any Restricted Subsidiary, and any income (loss) from disposed, abandoned or discontinued operations (but if such operations are classified as discontinued because they are subject to an agreement to dispose of such operations, only when and to the extent such operations are actually disposed of), 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 or the Spin-Off Transactions and any acquisition, merger or consolidation after the Issue Date or any accounting change);

(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, or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of any Hedging Obligations;

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

(ix) (x) any noncash compensation charge arising from any grant of limited liability company interests, stock, stock options or other equity-based awards and any noncash deemed finance charges in respect of any pension liabilities or other provisions and (y) income (loss) attributable to deferred compensation plans or trusts;

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

(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), noncash charges for deferred tax valuation allowances and noncash gains, losses, income and expenses resulting from fair value accounting required by the applicable standard under GAAP;

(xii) the amount of any restructuring charge or reserve, integration cost or other business optimization expense or cost (including charges related to the implementation of strategic or cost-savings initiatives), including any severance, retention, signing bonuses, relocation, recruiting and other employee-related costs, future lease commitments, and costs related to the opening and closure and/or consolidation of facilities and to existing lines of business; and

(xiii) to the extent covered by insurance and actually reimbursed (or the Parent Guarantor has determined that there exists reasonable evidence that such amount will be reimbursed by the insurer and such amount is not denied by the applicable insurer in writing within 180 days and is reimbursed within 365 days of the date of such evidence (with a deduction in any future calculation of Consolidated Net Income for any amount so added back to the extent not so reimbursed within such 365 day period)), any expenses with respect to liability or casualty events or business interruption;

provided, further, that the exclusion of any item pursuant to the foregoing clauses (i) through (xiii) shall also exclude the tax impact of any such item, if applicable.

"*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 Parent Guarantor and its Restricted Subsidiaries as at the end of any fiscal quarter of the Parent Guarantor 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 sum of, without duplication, the Consolidated Total Corporate Indebtedness (for purposes of this definition, without regard to clause (4) of the definition thereof) and any Ratio Tested Committed Amount as of such date that, in each case, is then secured by a Lien on property or assets of the Parent Guarantor 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 Parent Guarantor and its Restricted Subsidiaries as of the end of the most recent four consecutive fiscal quarters of the Parent Guarantor ending prior to the date of such determination for which consolidated financial statements of the Parent Guarantor 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 of the Parent Guarantor ending prior to the date of such determination for which consolidated financial statements of the Parent Guarantor are available, *provided*, that:

(1) if since the beginning of such period the Parent Guarantor or any Restricted Subsidiary shall have made a Sale (including any Sale occurring in connection with a transaction causing a calculation to be made hereunder), 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 Parent Guarantor 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 Parent Guarantor 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 Parent Guarantor 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 Issuer 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) 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 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 Parent Guarantor, which determination shall be conclusive.

"*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 Parent Guarantor for which a calculation thereof is available, divided by (y) four.

"*Consolidated Total Corporate Indebtedness*" means, as of any date of determination, an amount equal to (1) the aggregate principal amount of outstanding Indebtedness of the Parent Guarantor and its Restricted Subsidiaries (other than the 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 or the Issuer) 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 (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, in each case to the extent not Incurred to finance or refinance the acquisition of Rental Car Vehicles; *provided* that such Indebtedness is not recourse to the Parent Guarantor or any Restricted Subsidiary that is not a Special Purpose Subsidiary (other than with respect to Special Purpose Financing Undertakings), minus (3) the aggregate principal amount of outstanding Consolidated Vehicle Indebtedness as of such date, and minus (4) cash, Cash Equivalents, Investment Grade Securities and Temporary Cash Investments held by the Parent Guarantor 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 Parent Guarantor are available.

"*Consolidated Total Corporate Leverage Ratio*" means, as of any date of determination, the ratio of (x) Consolidated Total Corporate 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 Parent Guarantor are available; *provided* that:

(1) if since the beginning of such period the Parent Guarantor or any Restricted Subsidiary shall have made a Sale (including any Sale occurring in connection with a transaction causing a calculation to be made hereunder), 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 Parent Guarantor 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 Parent Guarantor 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 Parent Guarantor 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.

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 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 Parent Guarantor, which determination shall be conclusive.

"*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, Indebtedness of the Parent Guarantor and its Restricted Subsidiaries Incurred in connection with the acquisition, sale, leasing, financing or refinancing of, or secured by, Vehicles and/or related rights (including under leases, manufacturer warranties and buy-back programs and insurance policies) and/or assets, as determined in good faith by the Parent Guarantor (which determination shall be conclusive).

"*Consolidated Vehicle Interest Expense*" means, for any period, the aggregate interest expense for such period on any Consolidated Vehicle Indebtedness, as determined in good faith by the Parent Guarantor (which determination shall be conclusive).

"*Consolidation*" means the consolidation of the accounts of each of the Restricted Subsidiaries with those of the Parent Guarantor in accordance with GAAP; *provided* that "*Consolidation*" will not include consolidation of the accounts of any Unrestricted Subsidiary, but the interest of the Parent Guarantor 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 Issuer to permit the Incurrence of Contribution Indebtedness pursuant to clause (b)(xii) of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*."

"*Contribution Indebtedness*" means Indebtedness of the Issuer 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 Issuer 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.

"*Credit Facilities*" means one or more of (i) the Senior Credit Facility, (ii) the Letter of Credit Facility, (iii) the European Revolving Credit Facility and (iv) any other facilities or arrangements designated by the Parent Guarantor, in each case with one or more banks or other lenders or

institutions providing for revolving credit loans, term loans, receivables, fleet or other financings (including through the sale of receivables, fleet and/or other assets to such institutions or to special purpose entities formed to borrow from such institutions against such receivables, fleet and/or other assets or the creation of any Liens in respect of such receivables, fleet and/or other 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 any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent, trademark or copyright 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, decreased 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 or decreasing 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 Issue Date or thereafter incurred, payable under or in respect of any Credit Facility, including principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Parent Guarantor 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.

"*Designated Noncash Consideration*" means the Fair Market Value of noncash consideration received by the Parent Guarantor 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 of the Parent Guarantor, setting forth the basis of such valuation.

"*Designated Preferred Stock*" means Preferred Stock of the Parent Guarantor (other than Disqualified Stock) or any Parent that is issued after the Issue Date for cash (other than to a Restricted Subsidiary) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate of the Parent Guarantor.

"*Designated Senior Indebtedness*" means with respect to a Person (i) the Credit Facility Indebtedness under or in respect of the Senior Credit Facility, the Letter of Credit Facility or the European Revolving Credit Facility 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 the Indenture.

"*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 an Asset Disposition or other "*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 an Asset Disposition or other "*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 Parent Guarantor or any Subsidiary of the Parent Guarantor, 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.

"*Dollars*" or "*$*" means dollars in lawful currency of the United States of America.

"*Domestic Subsidiary*" means any Restricted Subsidiary of the Parent Guarantor other than a Foreign Subsidiary.

"*Eligible Corporate Customer Receivable Assets*" means all receivables owed by corporate customers or unincorporated businesses to any member of the European Borrowing Base Group relating to the leasing of Vehicles if such receivables are less than or equal to 90 days past their original due date and are not Non-European Borrowing Base Group Assets.

"*Eligible Net VAT Receivable Assets*" means all receivables in respect of VAT (net of any payables) owed by a relevant government authority (and in an amount not in dispute with such authority) to any member of the European Borrowing Base Group (including receivables due to a member of the European Borrowing Base Group which are received on its behalf by the head of its VAT group) (as recorded on an accruals basis and in respect of VAT relating to Vehicle acquisitions and disposals, updated weekly, and in respect to all other VAT, updated monthly) to the extent that such receivables are not Non-European Borrowing Base Group Assets.

"*Eligible Program Receivable Assets*" means all receivables owed by manufacturers of or dealers in Vehicles to any member of the European Borrowing Base Group under vehicle buy-back programs and rebate arrangements sponsored by such manufacturers or dealers to the extent that such receivables are less than or equal to 90 days past their original due date and are not Non-European Borrowing Base Group Assets.

"*Eligible Vehicles*" means Vehicles owned by any member of the European Borrowing Base Group (whether or not in the possession of, or leased to, a third party, in a different jurisdiction to the jurisdiction of incorporation of such member of the European Borrowing Base Group and whether or not subject to a Lien provided that the initial purchase price for each Vehicle has been paid in full, the Vehicle has not been on-sold or re-sold to a third party and such Vehicle is not a Non- European Borrowing Base Group Asset.

"*Employee Matters Agreement*" means the Employee Matters Agreement, dated as of June 30, 2016, by and among Holding and HERC Holdings.

"*European Borrowing Base Assets Amount*" means, as at the relevant Test Date, the sum of:

(a) 95.0% of the book value of all Eligible Vehicles; plus

(b) 95.0% of the aggregate outstanding balance of Eligible Corporate Customer Receivable Assets and Eligible Program Receivable Assets; plus

(c) the aggregate outstanding balance of (i) Eligible Net VAT Receivable Assets and (ii) cash and Cash Equivalents of the members of the European Borrowing Base Group to the extent such cash and Cash Equivalent Investments are not Non-European Borrowing Base Group Assets.

Assets subject to Permitted European Borrowing Base Liens will not be excluded from the "*European Borrowing Base Assets Amount*". Notwithstanding any of the foregoing, any European Borrowing Base Assets owned by a member of the European Borrowing Base Group subject to certain events of bankruptcy, insolvency or reorganization shall be excluded from the definition of "*European Borrowing Base Assets Amount*."

"*European Borrowing Base Assets*" means:

(a) all Eligible Vehicles;

(b) Eligible Corporate Customer Receivable Assets;

(c) Eligible Net VAT Receivable Assets;

(d) Eligible Program Receivable Assets; and

(e) the aggregate outstanding balance of cash in any bank account and Cash Equivalent Investments of members of the European Borrowing Base Group to the extent such cash and Cash Equivalent Investments are not Non-European Borrowing Base Group Assets.

"*European Borrowing Base Certificate*" means a certificate in the form attached as an exhibit to the Indenture stating the European Borrowing Base Assets Amount as of the relevant quarter's end and certifying whether there is a European Borrowing Base Deficiency.

"*European Borrowing Base Deficiency*" means, as of any Test Date, the amount (if any) by which:

(a) the sum of:

(i) the European Borrowing Base Senior Unsecured Debt; plus

(ii) the European Borrowing Base Vehicle Indebtedness; plus

(iii) the amount by which European Borrowing Base Local Borrowings exceed €100,000,000,

exceeds

(b) the European Borrowing Base Assets Amount.

A European Borrowing Base Deficiency shall cease to be "continuing" when (*pro forma* for any changes since the applicable Test Date) it has been reduced to zero, with such reduction evidenced by the delivery to the Trustee of a European Borrowing Base Certificate.

"*European Borrowing Base Group*" means: (a) the Issuer; (b) the Non-U.S. Subsidiary Guarantors; (c) the European Borrowing Base SPEs; (d) Hertz de España SL; and (e) any other Restricted Subsidiary organized under the laws of any jurisdiction other than the United States designated as a member of the European Borrowing Base Group, and in each case subject to the addition or release of any member of the European Borrowing Base Group as further specified under the captions entitled "*—Resignation and Release of Non-U.S. Subsidiary Guarantors and Other Members of the European Borrowing Base Group*" and "*—Guarantees and Release of Guarantors*"; provided that, any Non-U.S. Subsidiary Guarantor that has ceased to be a Non-U.S. Subsidiary Guarantor may not be designated as a member of the European Borrowing Base Group for so long as it is neither a Non-U.S. Subsidiary Guarantor nor a European Borrowing Base SPE.

"*European Borrowing Base Local Borrowings*" means (without double counting) the Financial Indebtedness of the European Borrowing Base Group (excluding the Issuer and any European Borrowing Base SPE) after excluding Financial Indebtedness:

(a) against which cash cover has been provided where such cash is not included in the European Borrowing Base Assets;

(b) owing under netting or set-off arrangements of the European Borrowing Base Group (other than the Issuer) entered into in the ordinary course of their banking arrangements for the purpose of cash pooling or netting debit and credit balances of the members of the European Borrowing Base Group (other than the Issuer) (including an overdraft comprising more than one account) but only so long as (i) such arrangement does not permit credit balances of members of the European Borrowing Base Group (other than the Issuer) to be netted or set off against debit balances of any of the Subsidiaries of the Parent Guarantor that are not members of the European Borrowing Base Group and (ii) such arrangement does not give rise to other Liens over the assets of the members of the European Borrowing Base Group (other than the Issuer) in support of liabilities of Non-European Borrowing Base Group Members;

(c) covered by (i) a letter of credit or bank guarantee under the European Revolving Credit Facility or (ii) any other irrevocable letter of credit, guarantee or indemnity, issued by an "Acceptable Bank", to the extent the aggregate amount of which shall not, at any one time, exceed the equivalent of €20,000,000 (calculated at the Agent's Spot Rate of Exchange on the date of calculation), each as defined in the European Revolving Credit Facility; and

(d) which consists of a guarantee of (i) the European Borrowing Base Senior Unsecured Debt or (ii) the European Borrowing Base Vehicle Indebtedness.

"*European Borrowing Base Senior Unsecured Debt*" means the aggregate principal amount of outstanding Indebtedness under: (a) the Notes; (b) any Additional Notes; (c) any Additional Securities; (d) the European Vehicle 2021 Notes; and (e) any Refinancing Indebtedness of the Issuer with respect to the foregoing.

"*European Borrowing Base SPE*" means (a) International Fleet Financing No. 2 B.V.; (b) RAC Finance S.A.S.; (c) Stuurgroep Fleet (Netherlands) B.V.; and (d) any Special Purpose Entity organized under the laws of any jurisdiction other than the United States designated by the Parent Guarantor or Issuer as an "European Borrowing Base SPE" and in each case subject to the addition or release of a European Borrowing Base SPE as further specified under the caption entitled "*—Resignation and Release of Non-U.S. Subsidiary Guarantors and Other Members of the European Borrowing Base Group*."

"*European Borrowing Base SPE Junior Funding*" means any Indebtedness of any European Borrowing Base SPE, to the extent such Indebtedness is attributable (as determined by the Parent Guarantor) to any investment in such European Borrowing Base SPE made by or on behalf of the Parent Guarantor, the Issuer or any of their Subsidiaries (including without limitation any investment by way of equity or loan, and whether such investment is made directly, or indirectly including by way of any one or more Special Purpose Entities, Affiliates or Subsidiaries of the Parent Guarantor).

"*European Borrowing Base Vehicle Indebtedness*" means Indebtedness of any member of the European Borrowing Base Group Incurred in connection with the acquisition, sale, leasing, financing or refinancing of, or secured by, Vehicles and/or related rights (including under leases, manufacturer warranties and buy-back programs and insurance policies) and/or assets to the extent that such Vehicles and/or related rights and/or assets are European Borrowing Base Assets, as determined in good faith by the Parent Guarantor (which determination shall be conclusive) (but excluding (without double counting): (i) any European Borrowing Base Senior Unsecured Debt, (ii) any European Borrowing Base SPE Junior Funding; (iii) any European Borrowing Base Local Borrowings; and (iv) any Indebtedness owed to the Parent Guarantor or any of its Subsidiaries).

"*European Government Obligations*" means any security that is (i) a direct obligation of Belgium, the Netherlands, France, Germany, Ireland, the United Kingdom or any other country that is a member of the European Union, for the payment of which the full faith and credit of such country is pledged or (ii) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (i) or (ii), is not callable or redeemable at the option of the issuer thereof.

"*European Revolving Credit Facility*" means the Revolving Facility Agreement, dated June 24, 2010, among the Issuer, the Guarantors, Crédit Agricole Corporate and Investment Bank, as agent and security agent, and the other parties listed thereto, as amended on June 22, 2011 and June 13, 2012, amended and restated on November 12, 2013 and as amended on October 31, 2014, and as such agreement may be further amended, restated, 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 concurrently or subsequently, whether with the original banks, lenders or institutions or other banks, lenders or institutions or otherwise, and whether provided under the original European Revolving Credit Facility or one or more other credit agreements, indentures, financing agreements or other revolving credit facilities or otherwise). Without limiting the generality of the foregoing, the term "*European Revolving 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, in each case, to the extent otherwise permitted by the Indenture.

"*European Union*" means the European Union, including, among others, the countries of Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, and Sweden, but not including any country which becomes a member of the European Union after the Issue Date.

"*European Vehicle 2021 Notes*" means the senior unsecured notes due 2021 issued by the Issuer pursuant to an indenture dated September 22, 2016.

"*Euros*" or "€" means the currency introduced at the start of the third stage of the Economic and Monetary Union pursuant to the "Treaty establishing the European Community", as amended by the "Treaty on European Union."

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended; *provided* that for the purposes of the definitions of Change of Control and Permitted Holders, "Exchange Act" shall mean the U.S. Securities Exchange Act of 1934 as in effect on the Issue Date.

"*Excluded Contribution*" means Net Cash Proceeds, or the Fair Market Value (as of the date of contribution) of property or assets, received by the Parent Guarantor as capital contributions to the Parent Guarantor after the Issue Date, or from the issuance or sale (other than to a Restricted Subsidiary) of Capital Stock (other than Disqualified Stock) of the Parent Guarantor, in each case to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Parent Guarantor.

"*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 Parent Guarantor, which determination shall be conclusive.

"*Financial Indebtedness*" means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit or bill discounting facility or dematerialized equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds (other than performance bonds), notes, debentures, loan stock or any similar instrument (other than documentary credits issued in the ordinary course of trading);

(d) the amount of any liability in respect of any finance lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis) and which are required to be accounted for as a borrowing under U.S. GAAP;

(f) any indebtedness for the deferred purchase price of assets or services (other than trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices);

(g) any amount raised by the issue of shares which are expressed to be redeemable or are otherwise classified as borrowings under U.S. GAAP;

(h) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) classified as a borrowing under the Accounting Principles; and

(i) the amount of any liability in respect of any guarantee or security for any of the items referred to in clauses (a) to (h) above,

but excluding indebtedness owing by any of the Parent Guarantor or its Subsidiaries to any of the Parent Guarantor or its Subsidiaries.

"*Financing Disposition*" means any sale, transfer, conveyance or other disposition of, or creation or incurrence of any Lien on, property or assets by the Parent Guarantor 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 31, 2015, provided that at any time after the Issue Date, the Issuer and the Parent Guarantor 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 Corporate Indebtedness*," "*Consolidated Total Corporate Leverage Ratio*," "*Consolidated Vehicle Depreciation*," "*Consolidated Vehicle Indebtedness*," "*Consolidated Vehicle Interest Expense*," "*Inventory*," and "*Receivable*," (b) all defined terms in the 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 the Indenture or the Notes that, at the election of the Issuer and the Parent Guarantor, may be specified by the Issuer and the Parent Guarantor by written notice to the Trustee from time to time.

"*Foreign Borrowing Base*" means the sum of (i) 60% of the book value of Inventory (excluding Vehicles) of Foreign Subsidiaries, (ii) 85% of the book value of Receivables of Foreign Subsidiaries, (iii) 90% of the book value of Equipment of Foreign Subsidiaries and (iv) cash, Cash Equivalents and Temporary Cash Investments of Foreign Subsidiaries (in each case, determined as of the end of the

most recently ended fiscal month of the Parent Guarantor for which internal consolidated financial statements of the Parent Guarantor 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 clause (b)(iv) of the covenant described under *"—Certain Covenants—Limitation on Indebtedness*," 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 Parent Guarantor that is not organized under the laws of the United States of America or any state thereof or the District of Columbia, (b) any Restricted Subsidiary of the Parent Guarantor that has no material assets other than securities, Indebtedness or receivables of one or more Foreign Subsidiaries (or Subsidiaries thereof), intellectual property relating to such Foreign Subsidiaries (or Subsidiaries thereof) and/or other assets (including cash, Cash Equivalents, Investment Grade Securities and Temporary Cash Investments) relating to an ownership interest in any such securities, Indebtedness, intellectual property or Subsidiaries and (c) any Restricted Subsidiary of the Parent Guarantor that is organized under the laws of Puerto Rico or any other territory of the United States of America. As of the date hereof, Hertz International Ltd. and Donlen FSHCO Company are Restricted Subsidiaries described in clause (b) of the foregoing sentence.

"*Franchisee*" means any Person that is a franchisee or licensee of the Parent Guarantor or any of its Subsidiaries (or of any other Franchisee), or any Affiliate of such Person.

"*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 Parent Guarantor 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 Vehicle 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 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 Vehicles 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 Parent Guarantor.

"*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 Vehicles and/or related rights and/or assets, (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 Vehicles and/or related rights and/or assets, as determined in good faith by the Parent Guarantor (which determination shall be conclusive) and (c) Indebtedness of any Franchisee.

"*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.

"*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 the 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 sentence. 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 Issuer and the Parent Guarantor 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 the 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 the Indenture shall be computed in conformity with GAAP.

"*Governmental Authority*" means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including the European Union and the United Kingdom.

"*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 Issue Date or thereafter Incurred) that is expressly subordinated in right of payment to the obligations of such Subsidiary Guarantor under its 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 Herc Rentals Inc., a Delaware corporation formerly known as Hertz Equipment Rental Corporation, and any successor in interest thereto.

"*HERC Holdings*" means Herc Holdings Inc., a Delaware corporation formerly known as Hertz Global Holdings, Inc., and any successor in interest thereto.

"*Holder*" means the Person in whose name a Note is registered in the Note Register.

"*Holding*" means Hertz Global Holdings, Inc., a Delaware corporation formerly known as Hertz Rental Car Holding Company, Inc., 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 be deemed not 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) (except to the extent such reimbursement obligations relate to Trade Payables and such obligations are expected to be satisfied within 30 days of becoming due and payable);

(iv) all obligations of such Person to pay the deferred and unpaid purchase price of property, 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 (in each case, except (x) Trade Payables and (y) any earn-out obligations until such obligation is reflected as a liability on the balance sheet of such Person in accordance with GAAP and if not expected to be paid within 60 days after becoming due and payable);

(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 Parent Guarantor other than the Issuer or 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 Parent Guarantor, which determination shall be conclusive);

(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 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);

provided that Indebtedness shall exclude any Indebtedness of any Parent appearing upon the balance sheet of the Parent Guarantor solely by reason of push-down accounting under GAAP.

The amount of Indebtedness of any Person at any date shall be determined as set forth above or as otherwise provided for in the 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.

"*Intellectual Property Agreement*" means the Intellectual Property Agreement, dated as of June 30, 2016, by and among the Parent Guarantor, Hertz System, Inc. and HERC.

"*Intermediate Holding*" means Rental Car Intermediate Holdings, LLC, a Delaware limited liability company, and any successor in interest thereto.

"*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 a 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 the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" only, (i) "*Investment*" shall include the portion (proportionate to the Parent Guarantor's equity interest in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of the Parent Guarantor at the time that such Subsidiary is designated an Unrestricted Subsidiary, *provided* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Parent Guarantor shall be deemed to continue to have a permanent "*Restricted Investment*" in an amount (if positive) equal to (x) the Parent Guarantor's "*Investment*" in such Subsidiary at the time of such redesignation less (y) the portion (proportionate to the Parent Guarantor'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 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 Parent Guarantor'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 clause (b)(vi)(y) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*."

"*Investment Grade Rating*" means a rating of Baa3 or better (or, in the case of short-term obligations, P-3 or better) by Moody's and BBB− or better (or, in the case of short-term obligations, A-3 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 government of the United States of America or any agency or instrumentality thereof (other than Cash Equivalents); (ii) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among the Parent Guarantor 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 cash pending investment or distribution; and (iv) corresponding instruments in countries other than the United States of America customarily utilized for high quality investments.

"*Issue Date*" means the first date on which Notes are issued.

"*Issuer*" means Hertz Holdings Netherlands B.V., a private company with limited liability incorporated under the laws of The Netherlands, with its corporate seat in Amsterdam, The Netherlands, and any successor in interest thereto.

"*Letter of Credit Agreement*" means the Letter of Credit Agreement, dated as of November 2, 2017, among the Parent Guarantor; Barclays Bank PLC, as administrative agent and collateral agent; Credit Agricole Corporate and Investment Bank, as syndication agent; the lenders party thereto from time to time; Bank of America, N.A., Bank of Montreal, BNP Paribas, Citibank, N.A., Goldman Sachs Bank USA and Royal Bank of Canada, as co-documentation agents; Deutsche Bank Securities Inc., Mizuho Bank, Ltd. and Natixis Securities Americas LLC, as senior managing agents; and as such agreement may be amended, supplemented, waived or otherwise modified from time to time or refunded, refinanced, restructured, replaced, renewed, repaid, increased, decreased 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 Letter of Credit Agreement or one or more other credit agreements or otherwise, except to the extent such agreement, instrument or document expressly provides that it is not intended to be and is not a Letter of Credit Agreement).

"*Letter of Credit Facility*" means the collective reference to the Letter of Credit Agreement, any "Credit Documents" (as defined therein), any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent, trademark or copyright 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, decreased 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 Letter of Credit Agreement or one or more other credit agreements, indentures (including the 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 Letter of Credit Facility). Without limiting the generality of the foregoing, the term "*Letter of Credit Facility*" shall include any agreement (i) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (ii) adding Subsidiaries of the Parent Guarantor as additional borrowers or guarantors thereunder, (iii) increasing or decreasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

"*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 Vehicles of the Parent Guarantor and its Subsidiaries, under which such Vehicles will be disposed of from time to time and proceeds of such dispositions will be held in an LKE Account and used to acquire replacement Vehicles and/or repay indebtedness secured by such Vehicles.

"*Management Advances*" means (1) loans or advances made to directors, officers, employees or consultants of any Parent, the Parent Guarantor 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.

"*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 Parent Guarantor 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 Parent Guarantor or any of their respective Subsidiaries, or family members or relatives of any of the foregoing (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 Parent Guarantor, 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 Parent Guarantor, any Restricted Subsidiary or any Parent.

"*Management Stock*" means Capital Stock of the Parent Guarantor, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof) held by any of the Management Investors.

"*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 U.S. federal, state, provincial, foreign and local taxes required to be paid or to be accrued as a liability under GAAP, in each case as a consequence of, or in respect of, such Asset Disposition (including as a consequence of any transfer of

funds in connection with the application thereof in accordance with the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*"), (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 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 Parent Guarantor 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 Parent Guarantor or any Restricted Subsidiary after such Asset Disposition, including 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 Parent Guarantor 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 Parent Guarantor or any Restricted Subsidiary, in either case in respect of such Asset Disposition.

"*Net Cash Proceeds*" with respect to any issuance or sale of any securities of the Parent Guarantor or any Subsidiary by the Parent Guarantor or any Subsidiary, or any capital contribution, or any Incurrence of Indebtedness, means the cash proceeds of such issuance, sale or contribution or Incurrence 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, contribution or Incurrence and net of taxes paid or payable as a result, or in respect, thereof.

"*Non-European Borrowing Base Group Assets*" means any asset of any member of the European Borrowing Base Group which represents an equity or other interest in or claim against a Non-European Borrowing Base Group Member or any other asset of a member of the European Borrowing Base Group attributable to any fleet, business or operations of a Non-European Borrowing Base Group Member, *provided* that (a) the Issuer shall be entitled at its discretion from time to time to designate (and un-designate) as a European Borrowing Base Asset any cash or Cash Equivalents of any member of the European Borrowing Base Group which would otherwise be a Non-European Borrowing Base Asset, and (b) for so long as such cash or Cash Equivalent is designated as a European Borrowing Base Asset, the Issuer shall include it in the European Borrowing Base Amount and treat it as subject to the covenant described under "*—Limitation of Movement of Assets during a European Borrowing Base Deficiency*".

"*Non-European Borrowing Base Group Member*" means any of the Parent Guarantor or any of its Subsidiaries that is not a member of the European Borrowing Base Group.

"*Non-U.S. Subsidiary Guarantors*" means each of the following Subsidiary Guarantors: (a) Hertz Belgium BVBA, (b) Hertz Fleet Limited, (c) Hertz Autovermietung GmbH, (d) Hertz Fleet (Italiana) S.R.L., (e) Hertz Italiana S.p.A., (f) Hertz Automobielen Nederland B.V., (g) Hertz France SAS, (h) Hertz Luxembourg S.à r.l., (i) Hertz UK Receivables Ltd, and (j) any other Guarantor Subsidiary organized under the laws of any jurisdiction other than the United States designated by the Parent Guarantor as a "Non-U.S. Subsidiary Guarantor" that has become a Subsidiary Guarantor by executing a supplemental indenture in accordance with the provisions of the Indenture, and in each case subject to the addition or release of any such Subsidiary Guarantor or Non-U.S. Subsidiary Guarantor as further specified under the captions entitled "*—Resignation and Release of Non-U.S. Subsidiary Guarantors and Other Members of the European Borrowing Base Group*" and "*—Guarantees and Release of Guarantors*."

"*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 Parent Guarantor 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.

"*Officer*" means, with respect to the Parent Guarantor 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 the Indenture by the Board of Directors).

"*Officer's Certificate*" means, with respect to the Issuer, any other obligor upon the Notes or the Parent Guarantor, 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 Issuer and/or the Parent Guarantor.

"*Parent*" means any of Holding, Intermediate Holding and any Other Parent and any other Person that is a Subsidiary of Holding, Intermediate Holding or any Other Parent and of which the Parent Guarantor is a Subsidiary. As used herein, "*Other Parent*" means a Person of which the Parent Guarantor becomes a Subsidiary after the Issue Date, provided that either (x) immediately after the Parent Guarantor first becomes a Subsidiary of such Person, more than 50.0% of the Voting Stock of such Person shall be held by one or more Persons that held more than 50.0% of the Voting Stock of the Parent Guarantor or a Parent of the Parent Guarantor immediately prior to the Parent Guarantor 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 Parent Guarantor 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, the Indenture or any other agreement or instrument relating to Indebtedness of the Parent Guarantor 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, (ii) 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 trademarks, service marks, trade names, trade dress, domain names, social media identifiers and accounts, 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, databases 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 Parent Guarantor or any Subsidiary thereof, (iii) 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), (iv) other administrative and operational expenses of any Parent incurred in the ordinary course of business, and (v) fees and expenses incurred by any Parent in connection with any offering of Capital Stock or Indebtedness, (w) which offering is not completed, or (x) where the net proceeds of such offering are intended to be received by or contributed or loaned to the Parent Guarantor or a Restricted Subsidiary, or (y) 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 (z) 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 Parent Guarantor or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"*Parent Guarantor*" means The Hertz Corporation, a Delaware corporation, and any successor in interest thereto.

"*Permitted European Borrowing Base Liens*" means any Liens on the European Borrowing Base Assets:

(a) of a type described in one or more of clauses (a) through (g), (with respect to Hedging Obligations and Bank Products Obligations only) clause (h), clauses (i) through (j), sub-clauses (ii) through (x) of clause (k) in each case under such sub-clauses including any Liens securing any Guarantee of any thereof, clauses (l) through (q), and clause (t) of the definition of "Permitted Liens";

(b) securing (i) European Borrowing Base Vehicle Indebtedness or (ii) European Borrowing Base Local Borrowings; or

(c) securing any Refinancing Indebtedness of any Indebtedness referred to in clauses (a) or (b) of this definition.

For purposes of determining compliance with this definition, (i) a Lien need not be incurred solely by reference to one category of Permitted European Borrowing Base 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); (ii) if a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted European Borrowing Base Liens, the Parent Guarantor shall, in its sole discretion, classify or reclassify such Lien (or any portion thereof) in any manner that complies with this definition; (iii) the principal amount of Indebtedness secured by a Lien outstanding under any category of Permitted European Borrowing Base Liens shall be determined after giving effect to the application of proceeds of any such Indebtedness to refinance any such other Indebtedness; (iv) any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness shall also be permitted to secure any increase in the amount of such Indebtedness in connection with the 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; and (v) 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.

"*Permitted Holder*" means any of the following: (i) 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 the Indenture, and any Affiliates thereof, (ii) the Management Investors, (iii) any "group" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) of which any of the Persons specified in clause (i) or (ii) above is a member (provided that (without giving effect to the existence of such "group" or any other "group") one or more of such Persons collectively have beneficial ownership, directly or indirectly, of more than 50.0% of the total voting power of the Voting Stock of the Parent Guarantor or any Parent held by such "group"), and any other Person that is a member of such "group" and (iv) 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 Parent Guarantor.

"*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 Parent Guarantor and its Restricted Subsidiaries, taken as a whole, 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 Parent Guarantor 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 known to be 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, professional liability insurance, unemployment insurance and other social security and other similar legislation or other insurance related obligations (including 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 Parent Guarantor and its Subsidiaries, taken as a whole;

(f) Liens existing on, or provided for under written arrangements existing on, the Issue Date, or (in the case of any such Liens securing Indebtedness of the Parent Guarantor or any of its Subsidiaries existing or arising under written arrangements existing on the Issue 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 Parent Guarantor or any Restricted Subsidiary 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;

(i) Liens arising out of judgments, decrees, orders or awards in respect of which the Parent Guarantor 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:

(i) Indebtedness Incurred pursuant to any Credit Facility (including 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 the sum of (A) $3,000.0 million, plus (B) the greater of (x) $500.0 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 Restricted Subsidiaries and then outstanding, 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 (including accrued and unpaid interest) incurred in connection with such refinancing;

(ii) Indebtedness consisting of (w) Indebtedness supported by a letter of credit issued pursuant to any Credit Facility in a principal amount not exceeding the face amount of such letter of credit, (x) accommodation guarantees for the benefit of trade creditors of the Parent Guarantor or any of its Restricted Subsidiaries, (y) Guarantees in connection with the construction or improvement of all or any portion of a Public Facility to be used by the Parent Guarantor or any Restricted Subsidiary or (z) any Guarantee in respect of any Franchise Vehicle Indebtedness or Franchise Lease Obligation;

(iii) Indebtedness of the Parent Guarantor or any Restricted Subsidiary (A) arising from the honoring of a check, draft or similar instrument of such Person drawn against insufficient funds in the ordinary course of business, or (B) consisting of guarantees, indemnities, obligations in respect of earn-outs or other purchase price adjustments, or similar obligations, Incurred in connection with the acquisition or disposition of any business, assets or Person;

(iv) Indebtedness of the Parent Guarantor 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), (B) the financing of insurance premiums in the ordinary course of business, (C) take or pay obligations under supply arrangements incurred in the ordinary course of business, or (D) netting, overdraft protection and other arrangements arising under standard business terms of any bank at which the Parent Guarantor or any Restricted Subsidiary maintains an overdraft, cash pooling or other similar facility or arrangement;

(v) 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 such Indebtedness is not recourse to the Parent Guarantor or any Restricted Subsidiary that is not a Special Purpose Subsidiary (other than with respect to Special Purpose Financing Undertakings);

(vi) the Notes;

(vii) Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor;

(viii) Indebtedness or other obligations of any Special Purpose Entity;

(ix) obligations in respect of Management Advances or Management Guarantees; or

(x) (A) Acquisition Indebtedness; *provided* that (x) such Liens are limited to all or part of the same property or assets, including Capital Stock (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof) acquired, or of any Person acquired or merged or consolidated with or into the Parent Guarantor or any Restricted Subsidiary, in any transaction to which such Acquisition Indebtedness relates or (y) on the date of the Incurrence of such Indebtedness after giving effect to such Incurrence, the Consolidated Secured Leverage Ratio would equal or be less than the Consolidated Secured Leverage Ratio immediately prior to giving effect thereto, or (B) any Refinancing Indebtedness Incurred in respect thereof,

in each case under the foregoing clauses (i) through (x) including Liens securing any Guarantee of any thereof;

(l) Liens existing on property or assets of a Person at, or provided for under written arrangements existing at, the time such Person becomes a Subsidiary of the Parent Guarantor (or at the time the Parent Guarantor or a Restricted Subsidiary acquires such property or assets, including any acquisition by means of a merger or consolidation with or into the Parent Guarantor or any Restricted Subsidiary); *provided, however*, that such Liens and arrangements 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 Parent Guarantor is the Successor Parent Guarantor with respect thereto, any Subsidiary thereof shall be deemed to become a Subsidiary of the Parent Guarantor, and any property or assets of such Person or any such Subsidiary shall be deemed acquired by the Parent Guarantor or a Restricted Subsidiary, as the case may be, when such Person becomes such Successor Parent Guarantor;

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

(n) (i) any encumbrance or restriction (including 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 or (ii) Liens on Capital Stock, Indebtedness or other securities of any joint venture that is not a Subsidiary securing Indebtedness or other obligations of such joint venture;

(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 Parent Guarantor or any Subsidiary (other than Liens on property or assets of the Parent Guarantor, the Issuer or any Subsidiary Guarantor in favor of any Subsidiary that is not a Subsidiary Guarantor or the Issuer), (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, on assets that are the subject of such repurchase agreements, (12) in favor of any Special Purpose Entity in connection with any Financing Disposition, (13) in favor of any Franchise Special Purpose Entity in connection with any Franchise Financing Disposition or (14) securing Indebtedness which is secured by Rental Car Vehicles and/or Service Vehicles;

(q) Liens on or under, or arising out of or relating to, any Vehicle Rental Concession Rights (including Liens securing Indebtedness consisting of Guarantees required (in the good faith determination of the Parent Guarantor, which determination shall be conclusive) in connection with Vehicle Rental Concession Rights);

(r) other Liens securing Indebtedness or other obligations, that in the aggregate do not exceed an amount equal to the greater of $300.0 million and 1.50% of Consolidated Tangible Assets at any time outstanding at the time of Incurrence of such Indebtedness or other obligation;

(s) Liens securing Indebtedness (including Liens securing any Obligations in respect thereof) consisting of Indebtedness Incurred in compliance with the covenant described under "*Certain Covenants—Limitation on Indebtedness*," provided that on the date of the Incurrence of such Indebtedness after giving effect to such Incurrence (or, at the Parent Guarantor's option, on the date of the initial borrowing of such Indebtedness or entry into the definitive agreement providing the commitment to fund such Indebtedness after giving pro forma effect to the Incurrence of the entire committed amount of such Indebtedness (such committed amount, a "*Ratio Tested Committed Amount*"), in which case such Ratio 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; and

(t) Liens securing Consolidated Vehicle Indebtedness.

For purposes of determining compliance with this definition, (i) 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); (ii) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens, the Parent Guarantor shall, in its sole discretion, classify or reclassify such Lien (or any portion thereof) in any manner that complies with this definition; *provided* that (x) as of the Issue Date, all Indebtedness outstanding under the Senior Credit Facility, the Letter of Credit Facility and the European Revolving Credit Facility, shall be treated as having been secured pursuant to clause (k)(i) and (y) if the Issuer shall so determine, any Lien incurred pursuant to any clause (other than clause (s)) of this definition shall cease to be deemed incurred or outstanding for purposes of such clause but shall be deemed incurred for the purposes of clause (s) of this definition from and after any date as determined by the Issuer on which the Issuer or any Restricted Subsidiary could have incurred such Lien under clause (s) of this definition without reliance on such clause; (iii) the principal amount of Indebtedness secured by a Lien outstanding under any category of Permitted Liens shall be determined after giving effect to the application of proceeds of any such

Indebtedness to refinance any such other Indebtedness; (iv) any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness shall also be permitted to secure any increase in the amount of such Indebtedness in connection with the 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; (v) if any Indebtedness or other obligation is secured by any Lien outstanding under any category of Permitted Liens measured by reference to a percentage of Consolidated Tangible Assets at the time of incurrence of such Indebtedness or other obligations, and is refinanced by any Indebtedness or other obligation secured by any Lien incurred by reference to such category of Permitted Liens, and such refinancing would cause the percentage of Consolidated Tangible Assets to be exceeded if calculated based on the Consolidated Tangible Assets on the date of such refinancing, such percentage of Consolidated Tangible Assets shall not be deemed to be exceeded (and such refinancing Lien shall be deemed permitted) so long as the principal amount of such refinancing Indebtedness or other obligation does not exceed an amount equal to the principal amount of such Indebtedness or other obligation being refinanced, plus the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) incurred or payable in connection with such refinancing; (vi) if any Indebtedness or other obligation is secured by any Lien outstanding under any category of Permitted Liens measured by reference to a Dollar-denominated restriction, the Dollar equivalent principal amount of such Indebtedness denominated in a foreign currency 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 credit or deferred draw Indebtedness, provided that (x) the Dollar equivalent principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date, (y) if such Indebtedness is refinanced by any Indebtedness or other obligation secured by any Lien incurred by reference to such category of Permitted Liens, and such refinancing would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect of the date of such refinancing, such Dollar-denominated restriction shall not be deemed to have been exceeded (and such refinancing Lien shall be deemed permitted) so long as the principal amount of such refinancing Indebtedness or other obligation does not exceed (i) an amount equal to 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 (including accrued and unpaid interest) incurred or payable in connection with such refinancing and (z) the Dollar equivalent principal amount of Indebtedness denominated in a foreign currency and Incurred pursuant to the Senior Credit Facility, the Letter of Credit Facility or the European Revolving Credit Facility shall be calculated based on the relevant currency exchange rate in effect on, at the Parent Guarantor's option, (i) the Issue Date, (ii) any date on which any of the respective commitments under the Senior Credit Facility, the Letter of Credit Facility or the European Revolving 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; (vii) 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; and (viii) 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 Parent Guarantor, 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, Governmental Authority or any other entity of whatever nature.

"*Physical Notes*" means permanent certificated Notes issued and authenticated pursuant to, and substantially in the form set forth in, the Indenture.

"*Preferred Stock*" as applied to the Capital Stock of any corporation or company 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, the United Kingdom 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 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.

"*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 rating agency or agencies recognized internationally or in the United States of America, as the case may be, selected by the Parent Guarantor or the Issuer 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 Date*" means, when used with respect to any Note to be redeemed or purchased, the date fixed for such redemption or purchase by or pursuant to the Indenture.

"*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 the Indenture shall have a correlative meaning.

"*Refinancing Credit Facility*" means any syndicated Credit Facility under which the Parent Guarantor incurs Indebtedness to refinance all or any portion of its Indebtedness under the Senior Credit Facility, the Letter of Credit Facility or the European Revolving Credit Facility.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refinance any Indebtedness (or unutilized commitment in respect of Indebtedness) existing on the date of the Indenture or Incurred (or established) in compliance with the Indenture (including Indebtedness of the Parent Guarantor that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Parent Guarantor or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness, and Indebtedness Incurred pursuant to a commitment that refinances any Indebtedness or unutilized commitment; *provided*, that 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) an amount equal to any unutilized commitment relating to the Indebtedness being refinanced or otherwise then outstanding under a Credit Facility or other financing arrangement being refinanced to the extent the unutilized commitment being refinanced could be drawn in compliance with the Indenture immediately prior to such refinancing, plus (z) fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) incurred or payable in connection with such Refinancing Indebtedness.

"*Related Business*" means those businesses in which the Parent Guarantor or any of its Subsidiaries is engaged on the date of the Indenture, or that are similar, related, complementary, incidental or ancillary thereto or extensions, developments or expansions thereof.

"*Related Taxes*" means (i) any taxes, charges or assessments, including 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, foreign, provincial, territorial or local taxes measured by income and federal, state, foreign, provincial, territorial 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, organized 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 Parent Guarantor, any of its Subsidiaries or any Parent), or being a holding company parent of the Parent Guarantor, any of its Subsidiaries or any Parent or receiving dividends from or other distributions in respect of the Capital Stock of the Parent Guarantor, any of its Subsidiaries or any Parent, or having guaranteed any obligations of the Parent Guarantor or any Subsidiary thereof, or having made any payment in respect of any of the items for which the Parent Guarantor or any of its Subsidiaries is permitted to make payments to any Parent pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," or acquiring, developing, maintaining, owning, prosecuting, protecting or defending its intellectual property and associated rights (including receiving or paying royalties for the use thereof) relating to the business or businesses of the Parent Guarantor or any Subsidiary thereof, or (ii) any U.S. federal, state, foreign, provincial, territorial or local taxes measured by income for which any Parent is liable as a result of being the parent of a consolidated, combined, unitary or affiliated group for applicable income tax purposes that includes the Parent Guarantor up to an amount not to exceed, with respect to U.S. federal taxes, the amount of any such taxes that the Parent Guarantor and its Subsidiaries that are members of such group would have been required to pay on a separate company basis, or on a consolidated basis as if the Parent Guarantor 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, foreign, provincial, territorial and local taxes, the amount of any such taxes that the Parent Guarantor and its Subsidiaries that are members of such group would have been required to pay on a separate company basis, or on a consolidated, combined, unitary or affiliated basis as if the Parent Guarantor had filed a consolidated, combined, unitary or affiliated return on behalf of an affiliated group (as defined in the applicable state, foreign, provincial, territorial or local tax laws for filing such return) consisting only of the Parent Guarantor and such Subsidiaries. Taxes include all interest, penalties and additions relating thereto.

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

"*Reorganization Assets*" means any assets sold, leased, transferred or otherwise disposed of to any Franchisee or any Franchise Special Purpose Entity.

"*Restricted Investment*" means an Investment by the Parent Guarantor or any Restricted Subsidiary in any Unrestricted Subsidiary.

"*Restricted Payment Transaction*" means any Restricted Payment permitted pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," any Permitted Payment, or any transaction specifically excluded from the definition of the term "*Restricted Payment*" (including pursuant to the exception contained in clause (i) of such definition and the parenthetical exclusions contained in clauses (ii) and (iii) of such definition).

"*Restricted Subsidiary*" means any Subsidiary of the Parent Guarantor other than an Unrestricted Subsidiary. For the avoidance of doubt, the Issuer is a Restricted Subsidiary.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended from time to time.

"*Senior Credit Agreement*" means the Credit Agreement, dated as of June 30, 2016, among the Parent Guarantor; any other borrowers party thereto from time to time; Barclays Bank PLC, as administrative agent and collateral agent; Credit Agricole Corporate and Investment Bank, as syndication agent; the lenders party thereto from time to time; Bank of America, N.A., Bank of Montreal, BNP Paribas, Citibank, N.A., Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A. and Royal Bank of Canada, as co-documentation agents; Capital One, National Association, UniCredit Bank AG, New York Branch, Deutsche Bank Securities Inc., Mizuho Bank, Ltd., Natixis Securities Americas LLC, RBS Securities Inc. and the Bank of Nova Scotia, as senior managing agents; and as such agreement may be amended, supplemented, waived or otherwise modified from time to time or refunded, refinanced, restructured, replaced, renewed, repaid, increased, decreased 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 Credit Agreement or one or more other credit agreements or otherwise, except to the extent such agreement, instrument or document expressly provides that it is not intended to be and is not a Senior Credit Agreement).

"*Senior Credit Facility*" means the collective reference to the Senior Credit Agreement, any Loan Documents (as defined therein), any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent, trademark or copyright 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, decreased 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 Credit Agreement or one or more other credit agreements, indentures (including the 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 Credit Facility). Without limiting the generality of the foregoing, the term "*Senior Credit Facility*" shall include any agreement (i) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (ii) adding Subsidiaries of the Parent Guarantor as additional borrowers or guarantors thereunder, (iii) increasing or decreasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

"*Senior Indebtedness*" means any Indebtedness of the Parent Guarantor or any Restricted Subsidiary other than (x) in the case of the Issuer or the Parent Guarantor, Subordinated Obligations and (y) in the case of any Subsidiary Guarantor, Guarantor Subordinated Obligations.

"*Separation Agreement*" means the Separation and Distribution Agreement, dated as of June 30, 2016, between Holding and HERC Holdings, as amended, supplemented, waived or otherwise modified from time to time.

"*Service Vehicles*" means all Vehicles owned by the Parent Guarantor or a Subsidiary thereof that are classified as "plant, property and equipment" in the consolidated financial statements of the Parent Guarantor that are not rented or offered for rental by the Parent Guarantor or any of its Subsidiaries, including any such Vehicles being held for sale.

"*Significant Subsidiary*" means the Issuer and any Restricted Subsidiary that would be a "*significant subsidiary*" of the Parent Guarantor 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 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 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 and/or Vehicles of the Parent Guarantor 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 Parent Guarantor or any of its Restricted Subsidiaries that the Parent Guarantor 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 Parent Guarantor 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 Parent Guarantor or a Restricted Subsidiary that is not a Special Purpose Subsidiary.

"*Special Purpose Subsidiary*" means a Subsidiary of the Parent Guarantor 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 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 Parent Guarantor.

"*Spin-Off Transaction Agreements*" means collectively, the Separation Agreement, the Tax Matters Agreement, the Tax Sharing Agreement, the Employee Matters Agreement, the Intellectual Property Agreement, the Transition Services Agreement and any other instruments, assignments, documents and agreements contemplated thereby and executed in connection therewith.

"*Spin-Off Transactions*" has the meaning given to such term in the Senior Credit Agreement.

"*S&P*" means S&P Global Ratings (a division of S&P Global Inc.) or any successor thereto.

"*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 Parent Guarantor or the Issuer (whether outstanding on the date of the 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 50.0% 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 Parent Guarantor on or after the Issue Date pursuant to the covenant described under "*—Certain Covenants—Future Subsidiary Guarantors*." As used in the Indenture, "*Subsidiary Guarantee*" refers to a Subsidiary Guarantee of the Notes.

"*Subsidiary Guarantor*" means any Restricted Subsidiary of the Parent Guarantor (other than the Issuer) that enters into a Subsidiary Guarantee, in each case, unless and until such Subsidiary is released from such Subsidiary Guarantee in accordance with the terms of the Indenture. As used in the Indenture, "*Subsidiary Guarantor*" refers to a Subsidiary Guarantor of the Notes.

"*Tax*" means any tax, duty, levy, impost, assessment or other governmental charge (including penalties and interest and any other additions thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax). "*Taxes*" and "*Taxation*" shall be construed to have corresponding meanings.

"*Tax Matters Agreement*" means the Tax Matters Agreement, dated as of June 30, 2016, by and among HERC Holdings, Holding, HERC and the Parent Guarantor.

"*Tax Sharing Agreement*" means (i) the Tax Sharing Agreement, dated as of December 21, 2005, among the Parent Guarantor, HERC Holdings and Hertz Investors, Inc., as supplemented and amended, and as the same may be further amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture and (ii) any substantially comparable successor agreement (as determined by the Parent Guarantor in good faith, which determination shall be conclusive) between the Parent Guarantor and any Parent, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture.

"*Temporary Cash Investments*" means any of the following: (i) any investment in (x) direct obligations of the United States of America, the United Kingdom, Canada, 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 Parent Guarantor 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 Parent Guarantor 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 rating agency recognized internationally or in the United States of America), (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), (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 Parent Guarantor 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 rating agency recognized internationally or in the United States of America), (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 rating agency recognized internationally or in the United States of America), (vi) Indebtedness or Preferred Stock (other than of the Parent Guarantor or any of its Subsidiaries) having a rating of "A" or higher by S&P or "A-2" 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 rating agency recognized internationally or in the United States of America), (vii) investment funds investing 95.0% or more of their assets in securities of the type described in clauses (i) through (vi) above (which funds may also hold 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. For the avoidance of doubt, for purposes of this definition and the definitions of "Cash Equivalents" and "Investment Grade Rating," rating identifiers, watches and outlooks will be disregarded in determining whether any obligations satisfy the rating requirement therein.

"*Test Date*" means each quarterly date by reference to which the European Borrowing Base Certificate is to be prepared.

"*TIA*" means the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-7bbbb) as amended.

"*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 Indenture, the offer of the Notes, the issuance of the Notes and all other transactions relating to any of the foregoing (including payment of fees and expenses related to any of the foregoing).

"*Transition Services Agreement*" means the Transition Services Agreement, dated as of June 30, 2016, by and among HERC Holdings and Holding, as amended, supplemented, waived or otherwise modified from time to time.

"*Trustee*" means the party named as such in the Indenture until a successor replaces it and, thereafter, means the successor.

"*Unrestricted Subsidiary*" means (i) any Subsidiary of the Parent Guarantor 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 Parent Guarantor (including any newly acquired or newly formed Subsidiary of the Parent Guarantor), other than the Issuer and any direct or indirect parent entity of the Issuer, 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 Parent Guarantor or any other Restricted Subsidiary of the Parent Guarantor that is not a Subsidiary of the Subsidiary to be so designated; *provided*, that (A) such designation was made at or prior to the Issue 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 the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*." 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 Issuer could Incur at least $1.00 of additional Indebtedness under paragraph (a) in the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" 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 paragraph (b) of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*." 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 Parent Guarantor's Board of Directors giving effect to such designation and an Officer's Certificate of the Parent Guarantor certifying that such designation complied with the foregoing provisions.

"*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 Parent Guarantor, 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 Parent Guarantor, 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 Parent Guarantor or any of its Subsidiaries, including automobiles, trucks, tractors, trailers, vans, sport utility vehicles, buses, campers, motor homes, motorcycles and other motor vehicles.

"*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.

BOOK-ENTRY; DELIVERY AND FORM

General

The Notes issued on the Issue Date will be issued in the form of Global Notes in fully registered form without interest coupons and the Global Notes in aggregate will represent the aggregate principal amount of the outstanding Notes. Each Global Note will be deposited with, or on behalf of, a common depositary for the Euroclear System, which we refer to in this offering memorandum as "*Euroclear*," and for Clearstream Banking, *société anonyme*, which we refer to in this offering memorandum as "*Clearstream*."

The Issuer will issue Notes in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. Notes in denominations of less than €100,000 will not be available.

Notes sold within the U.S. to QIBs pursuant to Rule 144A under the Securities Act will initially be represented by the 144A Global Note, and Notes sold outside the U.S. pursuant to Regulation S under the Securities Act will initially be represented by the Regulation S Global Note. On the Issue Date, the Global Notes will be deposited with, and registered in the name of, a common depositary for Euroclear and Clearstream, or its nominee which we refer to as "*Book-Entry Interests*." The Notes will not be eligible for clearance with The Depository Trust Company.

Book-Entry Interests will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and/or Clearstream and their participants.

The Book-Entry Interests will not be held in definitive form. Instead, Euroclear and/or Clearstream will credit on their respective book-entry registration and transfer systems a participant's account with the Book-Entry Interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the U.S., may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of notes in certificated form and will not be considered the registered owners or "*Noteholders*" thereof under the Indenture for any purpose.

Physical Notes

Under the terms of the Indenture, owners of Book-Entry Interests will receive Physical Notes in registered form only in the following circumstances:

- if either Euroclear or Clearstream, or their common depositary, notifies us that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by us within 120 days;
- if the Issuer, at its option, notifies the Trustee that it elects to cause the issuance of Physical Notes; or
- if either Euroclear or Clearstream, or their common depositary, requests such exchange in writing following an Event of Default under the Indenture that shall be continuing.

Euroclear has advised the Issuer that upon request by an owner of a Book-Entry Interest following an Event of Default (as defined under the Indenture), its current procedure is to request that the Issuer issue or cause to be issued Physical Notes to all owners of Book-Entry Interests.

In such an event, the registrar will issue Physical Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear and/or Clearstream, as

applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Physical Notes will bear a restrictive legend with respect to certain transfer restrictions, unless that legend is not required by the Indenture or applicable law.

To the extent permitted by law, the Issuer, the Trustee, the Paying Agent, the transfer agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof.

The Issuer will not impose any fees or other charges in respect of the Notes except as set forth under the Indenture; however, holders of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream.

So long as the Notes are held in global form, the common depositary for Euroclear and/or Clearstream (or its nominee) will be considered the sole holder of Global Notes for all purposes under the Indenture. As such, participants must rely on the procedures of Euroclear and Clearstream and indirect participants must rely on the procedures of the participants through which they own Book-Entry Interests in order to exercise any rights of Noteholders under the Indenture.

Neither the Trustee, the Paying Agent, the Transfer Agent, the Registrar nor any of their agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Redemption of Global Notes

In the event a Global Note, or any portion thereof, is redeemed, Euroclear and/or Clearstream, as applicable, will distribute the amount received by them in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Issuer understands that under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or on such other basis as they deem fair and appropriate; provided, however, that no Book-Entry Interest of less than €100,000 in principal amount may be redeemed in part.

Payments on Global Notes

Payments of any amounts owing in respect of the Global Notes (including principal, premium interest and Additional Amounts) will be made by the Issuer in euros to the Paying Agent. The Paying Agent will, in turn, make such payments to the common depositary for Euroclear and/or Clearstream, which will distribute such payments to participants in accordance with their respective procedures.

Under the terms of the Indenture, the Issuer and the Trustee will treat the registered holder of the Global Notes (*e.g.*, the common depositary or its nominee) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar nor any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participants, or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest;

- any other matter relating to the actions and practices of Euroclear, Clearstream or any participant or indirect participant; or
- the common depositary, Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of customers registered in "street name."

In order to tender Book-Entry Interests in a Change of Control Offer or an Offer, the holder of the applicable Global Note must, within the time period specified in such offer, give notice of such tender to the Paying Agent and specify the principal amount of Book-Entry Interests to be tendered.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion to the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there occurs an Event of Default that is continuing under the Notes, each of Euroclear and Clearstream reserves the right to exchange the Global Notes for Physical Notes in certificated form, and to distribute such Physical Notes to its participants.

Global Clearance and Settlement under the Book-Entry System

Initial Settlement

Initial settlement for the Notes will be made in euros. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Information Concerning Euroclear and Clearstream

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream participant, either directly or indirectly.

TAX CONSIDERATIONS

Material U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Notes at the "issue price" (the first price at which a substantial amount of the Notes is sold for cash to investors other than to bond houses, brokers or similar persons acting in the capacity of underwriters, placement agents or wholesalers) that are U.S. Holders and that will hold the Notes as capital assets (generally, property held for investment). The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of the Notes by any particular investor, and does not address any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local, foreign or other tax laws. This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as banks or other financial institutions, insurance companies, dealers in securities or other persons that generally mark their securities to market for U.S. federal income tax purposes, tax-exempt entities, retirement plans, regulated investment companies, real estate investment trusts, former citizens or residents of the U.S., partnerships or other pass-through entities (or investors therein), persons that use the accrual method of accounting that are required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements, persons that hold the Notes as part of a straddle, hedge, conversion or other integrated transaction, persons subject to the alternative minimum tax or U.S. Holders that have a "functional currency" other than the U.S. dollar).

As used herein, the term "*U.S. Holder*" means a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the U.S., (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S., any state thereof, or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust (x) with respect to which a court within the U.S. is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or (y) that has in effect a valid election under applicable U.S. Treasury regulations to be treated as a U.S. person.

If an entity treated as a partnership for U.S. federal income tax purposes invests in a Note, the tax treatment of a partner of such entity will depend in part upon the status and activities of the entity and of the particular partner. Any such entity, and any partners in such an entity, should consult its own tax advisor regarding the U.S. federal income tax consequences relating to the acquisition, ownership and disposition of the Notes.

This summary is based on the tax laws of the U.S., including the Code, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as in effect on the date hereof, and all of which are subject to change or to different interpretation, possibly with retroactive effect. This summary is for general information only and is not tax advice. This summary is not binding on the IRS or a court. We have not sought, and do not intend to seek, any ruling from the IRS with respect to any of the statements made in this summary, and there can be no assurance that the IRS will not take a position contrary to these statements, or that a contrary position taken by the IRS would not be sustained by a court.

PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

Effect of Certain Contingent Payments

In certain circumstances, we are required to make payments on the Notes in addition to stated interest and principal (see, *e.g.*, "*Description of Notes—Optional Redemption*," "*Description of Notes—Redemption for Changes in Taxes*," "*Description of Notes—Change of Control Triggering Event*" and "*Description of Notes—Additional Amounts*"). U.S. Treasury regulations provide special rules for contingent payment debt instruments which, if applicable, could cause the timing, amount and character of a U.S. Holder's income, gain or loss with respect to the Notes to be different from those described below. For purposes of determining whether a debt instrument is a contingent payment debt instrument, remote or incidental contingencies are ignored. We intend to treat the possibility of our making any of the above payments as remote and/or to treat such payments as incidental. Accordingly, we do not intend to treat the Notes as contingent payment debt instruments. Our position will be binding on all U.S. Holders, except a U.S. Holder that discloses its differing position in a statement attached to its timely filed U.S. federal income tax return for the taxable year during which the Notes were acquired by such U.S. Holder. However, our position is not binding on the IRS. If the IRS were to successfully challenge our position, a U.S. Holder might be required to accrue ordinary income on the Notes in excess of stated interest, to treat as ordinary income, rather than capital gain, any gain recognized on the taxable disposition of the Notes before the resolution of the contingencies, and to recognize foreign currency exchange gain or loss with respect to such income. In any event, if we actually make any such additional payment, the timing, amount and character of a U.S. Holder's income, gain or loss with respect to the Notes may be affected. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments.

Payments of Interest

General

Interest on a Note (including additional amounts paid in respect of withholding taxes and without reduction for any amounts withheld) will generally be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for U.S. federal income tax purposes. It is expected, and this summary assumes, that the Notes will not be treated as issued with "original issue discount" for U.S. federal income tax purposes. Interest paid by the Issuer on the Notes generally will be considered income from sources outside the U.S. and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income. U.S. Holders should consult their tax advisors concerning the applicability of the U.S. foreign tax credit and source of income rules to income attributable to the Notes.

Foreign Currency Denominated Interest

The amount of interest income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the Euro interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognized with respect to an interest payment denominated in Euros in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, a U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead

translate the accrued interest into U.S. dollars at the exchange rate in effect on the day the payment is received. A U.S. Holder that elects to use this second method must apply it consistently to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies and any debt instruments thereafter acquired by the U.S. Holder, and the U.S. Holder cannot revoke the election without the consent of the IRS.

Upon receipt of a Euro interest payment (including a payment attributable to accrued but unpaid interest upon the sale or other disposition of a Note), an accrual basis U.S. Holder will generally recognize U.S. source exchange gain or loss (which is taxable as ordinary income or loss, and is generally not treated as an adjustment to interest income or expense) equal to the difference, if any, between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued in U.S. dollars with respect to such payment, regardless of whether the payment is in fact converted into U.S. dollars.

Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of the Notes

Upon the sale, exchange, redemption, retirement or other taxable disposition of a Note, a U.S. Holder generally will recognize gain or loss in an amount equal to the difference, if any, between (i) the amount realized on such disposition (*i.e.*, the amount of cash and the fair market value of any property received, excluding amounts attributable to accrued but unpaid interest, which will be taxable as ordinary income to such U.S. Holder, to the extent not previously included in income) and (ii) such U.S. Holder's "adjusted tax basis" in such Note. A U.S. Holder's "adjusted tax basis" in a Note is generally its U.S. dollar cost (as defined below). The U.S. dollar cost of a Note purchased with Euros will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). The amount realized on a sale, exchange, redemption, retirement or other taxable disposition for an amount in Euros will be the U.S. dollar value of this amount on the date of such disposition, or the settlement date for the sale, in the case of Notes traded on an established securities market sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). An accrual basis U.S. Holder that makes the election described above must apply it consistently to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies and any debt instruments thereafter acquired by such U.S. Holder, and such U.S. Holder cannot revoke the election without the consent of the IRS. If a Note is not traded on an established securities market (or, if a Note is so traded, but a U.S. Holder is an accrual basis taxpayer that has not made the settlement date election), a U.S. Holder will generally recognize foreign currency gain or loss (taxable as ordinary income or loss) to the extent that the U.S. dollar value of the Euros received on the settlement date differs from the U.S. dollar value of the amount realized on the date of the taxable disposition.

A U.S. Holder will recognize U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale, exchange, redemption, retirement or other taxable disposition of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (i) on the date of such disposition and (ii) on the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest) will be realized only to the extent of total gain or loss realized on the taxable disposition.

Except to the extent attributable to changes in exchange rates, gain or loss recognized by a U.S. Holder on the sale, exchange, redemption, retirement or other taxable disposition of a Note will generally be U.S. source capital gain or loss and will be long-term U.S. source capital gain or loss if the Note was held by the U.S. Holder for more than one year. For certain non-corporate holders (including individuals), any such long-term capital gain is currently subject to U.S. federal income tax at

preferential rates. The deductibility of capital losses is subject to limitations. Prospective purchasers should consult their tax advisors as to the foreign tax credit implications of the sale, exchange, redemption, retirement or other taxable disposition of Notes.

Disposition of Foreign Currency

A U.S. Holder's tax basis in the Euros received as interest on a Note or on the sale or other disposition of a Note will be the U.S. dollar value of the Euros at the time the Euros are received. In addition, foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) generally will be U.S. source ordinary income or loss.

Additional Tax on Net Investment Income

An additional tax of 3.8% may be imposed on the "net investment income" of certain U.S. individuals and on the undistributed "net investment income" of certain estates and trusts. Among other items, "net investment income" generally includes payments of interest and certain net gains from the disposition of investment property. U.S. Holders should consult their own tax advisors with respect to the tax consequences of the rules described above.

Backup Withholding and Information Reporting

Payments of principal and interest on, and the proceeds of the sale or other disposition of, Notes by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns, or otherwise fails to establish its exempt status. Certain U.S. Holders (including, among others, corporations) generally are not subject to backup withholding. U.S. Holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. Under the relevant rules, since the Notes are denominated in a foreign currency, a U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if this loss exceeds the relevant threshold in the regulations and to disclose its investment by filing Form 8886 with the IRS. Prospective purchasers should consult their tax advisors regarding the application of these rules.

Foreign Financial Asset Reporting

Certain U.S. Holders may be required to report information relating to their holding of certain foreign financial assets, including debt of foreign entities, if the aggregate value of all of these assets exceeds certain thresholds. The Notes are expected to constitute foreign financial assets subject to these requirements unless the Notes are held in an account at certain financial institutions. U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to the Notes.

Certain Dutch Tax Considerations

Introduction

The following summary does not purport to be a comprehensive description of all Dutch tax considerations that could be relevant to holders of the Notes. This summary is intended for general information only. Each prospective holder should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes. This summary is based on Dutch tax legislation and published case law in force as of the date of this document. It does not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect. For the purposes of this section, "the Netherlands" shall mean that part of the Kingdom of the Netherlands that is in Europe.

Scope

Regardless of whether or not a holder of Notes is, or is treated as being, a resident of the Netherlands, this summary, with the exception of the section on withholding tax below, does not address the Netherlands tax consequences for such a holder:

(i) having a substantial interest (*aanmerkelijk belang*) or deemed substantial interest in the Issuer (such a substantial interest is generally present if an equity stake of at least 5%, or a right to acquire such a stake, is held, in each case by reference to the Issuer's total issued and outstanding capital, or the issued and outstanding capital of a certain class of shares);

(ii) who is a private individual and who may be taxed in box 1 for the purposes of Netherlands income tax (*inkomstenbelasting*) as an entrepreneur (*ondernemer*) having an enterprise (*onderneming*) to which the Notes are attributable, or who may otherwise be taxed in box 1 with respect to benefits derived from the Notes;

(iii) which is a corporate entity and a taxpayer for the purposes of Netherlands corporate income tax (*vennootschapsbelasting*), having a participation (*deelneming*) in the Issuer (such a participation is generally present in the case of an interest of at least 5% of the Issuer's nominal paid-in capital);

(iv) which is a corporate entity and an exempt investment institution (*vrijgestelde beleggingsinstelling*) or investment institution (*beleggingsinstelling*) for the purposes of Netherlands corporate income tax, a pension fund, or otherwise, in whole or in part, not subject to or exempt from Netherlands corporate income tax;

(v) which is a corporate entity and a resident of Aruba, Curaçao or Sint Maarten; or

(vi) which is not considered the beneficial owner (*uiteindelijk gerechtigde*) of the Notes and/or the benefits derived from the Notes.

This summary does not describe the Netherlands tax consequences for a person to whom the Notes are attributed on the basis of the separated private assets provisions (*afgezonderd particulier vermogen*) in the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and/or the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*).

Withholding Tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Income Tax

Resident Holders

A holder who is a private individual and a resident, or treated as being a resident of the Netherlands for the purposes of Netherlands income tax, must record Notes as assets that are held in box 3. Taxable income with regard to the Notes is then determined on the basis of a certain deemed return on the holder's yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as the yield basis exceeds a threshold (*heffingvrij vermogen*), rather than on the basis of income actually received or gains actually realized. Such yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes, less the fair market value of certain qualifying liabilities at the beginning of the calendar year. The fair market value of the Notes will be included as an asset in the holder's yield basis. The holder's yield basis is allocated to up to three brackets for which different deemed returns apply. The first bracket includes amounts up to and including €70,800, which amount will be split into a 67% low-return part and a 33% high-return part. The second bracket includes amounts in excess of €70,800 and up to and including €978,000, which amount will be split into a 21% low-return part and a 79% high-return part. The third bracket includes amounts in excess of €978,000, which will be considered high-return in full. For 2018 the deemed return on the low-return parts is 0.36% and on the high-return parts is 5.38% The deemed return percentages will be reassessed every year. The deemed return on the holder's yield basis is taxed at a rate of 30%.

Non-Resident Holders

A holder who is a private individual and neither a resident, nor treated as being a resident, of the Netherlands for the purposes of Netherlands income tax, will not be subject to such tax in respect of benefits derived from the Notes, unless such holder is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise which is effectively managed in the Netherlands, to which enterprise the Notes are attributable.

Corporate Income Tax

Resident Holders

A holder which is a corporate entity and, for the purposes of Netherlands corporate income tax, a resident, or treated as being a resident, of the Netherlands, is taxed in respect of benefits derived from the Notes at rates of up to 25%.

Non-Resident Holders

A holder which is a corporate entity and, for the purposes of Netherlands corporate income tax, is neither a resident, nor treated as being a resident, of the Netherlands, will not be subject to corporate income tax, unless such holder has an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands, a Netherlands Enterprise (*Nederlandse onderneming*), to which Netherlands Enterprise the Notes are attributable, or such holder is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable. Such holder is taxed in respect of benefits derived from the Notes at rates of up to 25%.

Gift and Inheritance Tax

Resident Holders

Netherlands gift tax or inheritance tax (*schenk- of erfbelasting*) will arise in respect of an acquisition (or deemed acquisition) of Notes by way of a gift by, or on the death of, a holder of Notes who is a

resident, or treated as being a resident, of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his/her death.

Non-Resident Holders

No Netherlands gift tax or inheritance tax will arise in respect of an acquisition (or deemed acquisition) of Notes by way of a gift by, or on the death of, a holder of Notes who is neither a resident, nor treated as being a resident, of the Netherlands for the purposes of Netherlands gift and inheritance tax unless the acquisition is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is deemed to be resident in The Netherlands.

Other Taxes

No Netherlands turnover tax (*omzetbelasting*) will arise in respect of any payment in consideration for the issue of Notes, with respect to any cash settlement of Notes or with respect to the delivery of Notes. Furthermore, no Netherlands registration tax, capital tax, transfer tax or stamp duty (nor any other similar documentary tax or duty) will be payable in connection with the issue or acquisition of the Notes.

Residency

A holder will not become a resident, or a deemed resident, of the Netherlands for Netherlands tax purposes by reason only of holding the Notes.

PLAN OF DISTRIBUTION

We will enter into a purchase agreement with the several Initial Purchasers set forth below, pursuant to which, and subject to the conditions therein, we have agreed to sell to the Initial Purchasers, and the Initial Purchasers have severally, and not jointly, agreed to purchase from us the principal amount of the Notes set forth opposite their names below:

Initial Purchasers	Principal Amount of Notes
Crédit Agricole Corporate and Investment Bank	€
BNP Paribas	€
Barclays Bank plc	€
Deutsche Bank AG, London Branch	€
Lloyds Bank plc	€
Natixis	€
RBC Europe Limited	€
Total	€500,000,000

The purchase agreement will provide that the Initial Purchasers' obligation to purchase the Notes depends on the satisfaction of the conditions contained in the purchase agreement including:

- the obligation to purchase all of the Notes offered hereby, if any of the Notes are purchased;
- the representations and warranties made by us to the Initial Purchasers are true;
- there is no material adverse change in the business of the Parent Guarantor and its subsidiaries or the financial markets; and
- we, the Issuer and the Subsidiary Guarantors deliver customary closing documents to the Initial Purchasers.

Upon the closing of this offering, the Initial Purchasers will purchase the Notes at a customary discount from the initial issue price of the Notes indicated on the cover of this offering memorandum. The Initial Purchasers propose initially to offer and sell the Notes at the initial issue price of the Notes indicated on the cover of this offering memorandum. After the initial offering of the Notes, the price and other selling terms at which the Notes may be sold may be changed at any time without notice. The offering of the Notes by the Initial Purchasers is subject to receipt and acceptance and subject to the Initial Purchasers' right to reject any order in whole or in part. The Initial Purchasers may offer and sell Notes through certain of their affiliates.

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

To the extent that any Initial Purchaser that is not a U.S. registered broker dealer intends to effect any sales of Notes in the United States, it will do so through one or more U.S. registered broker dealer affiliates as permitted by guidelines promulgated by the Financial Industry Regulatory Authority.

Lock-Up

During the period beginning from the date of the purchase agreement and continuing until the date and time of payment for and delivery of the Notes, without the prior written consent of Crédit Agricole Corporate and Investment Bank, we have agreed that neither we nor any of the Guarantors will offer, sell, contract to sell or otherwise dispose of, any debt securities issued, guaranteed or granted by the Issuer or any Guarantor (other than the Notes).

Indemnification

We have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Initial Purchasers may be required to make in respect of those liabilities.

Stabilization and Short Positions

In connection with the offering of the Notes, the Initial Purchasers (or persons acting on behalf of the Initial Purchasers) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Initial Purchasers (or persons acting on behalf of the Initial Purchasers) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offering of the Notes is made and, if begun, may be ended at any time, but it must end no later than 30 days after the date on which the Issuer received the proceeds of the issue, or no later than 60 days after the date of the allotment of the Notes, whichever is the earlier.

Resale Restrictions

Rule 144A and Regulation S

The Notes have not been registered under the Securities Act or any state securities laws, and unless so registered, may not be offered or sold within the U.S., or to or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. See "*Transfer Restrictions*." The Notes have no established trading market. The Initial Purchasers have advised us of their intention to make a market for the Notes, but have no obligation to do so and may discontinue market-making at any time without providing any notice. We cannot assure you as to the liquidity of any trading market for the Notes. In addition, any market-making activities will be subject to the limits imposed by the Securities Act and the Exchange Act.

We have been advised by the Initial Purchasers that the Initial Purchasers propose to resell the Notes to (i) qualified institutional buyers in reliance on Rule 144A under the Securities Act and (ii) outside the U.S. to certain non-U.S. persons in reliance on Regulation S under the Securities Act. See "*Transfer Restrictions*."

The Initial Purchasers have acknowledged and agreed that, except as permitted by the purchase agreement, in connection with sales outside the U.S., they will not offer, sell or deliver the Notes to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering or the date the Notes were originally issued. The Initial Purchasers will send to each dealer to whom they sell the Notes in reliance on Regulation S during the 40-day distribution compliance period, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the U.S. or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings assigned to them in Regulation S under the Securities Act.

In addition, until the expiration of the 40-day distribution compliance period referred to above, an offer or sale of the Notes within the U.S. by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act or pursuant to another exemption from registration under the Securities Act.

Canada

This offering memorandum constitutes an "exempt offering document" as defined in and for the purposes of applicable Canadian securities laws. No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Notes described herein. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this offering memorandum or on the merits of the Notes and any representation to the contrary is an offence.

Canadian investors are advised that this offering memorandum has been prepared in reliance on section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"). Pursuant to section 3A.3,the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering pertaining to "connected issuer" and/or "related issuer" relationships that would otherwise be required pursuant to subsection 2.1(1) of NI 33-105.

Resale Restrictions

The offer and sale of the Notes in Canada is being made on a private placement basis only and is exempt from the requirement that the Issuer prepares and files a prospectus under applicable Canadian securities laws. Any resale of the Notes acquired by a Canadian investor in this offering must be made in accordance with applicable Canadian securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with Canadian prospectus requirements, a statutory exemption from the prospectus requirements, in a transaction exempt from the prospectus requirements or otherwise under a discretionary exemption from the prospectus requirements granted by the applicable local Canadian securities regulatory authority. These resale restrictions may under certain circumstances apply to resales of the Notes outside of Canada.

Representations of Purchasers

Each Canadian investor who purchases the Notes will be deemed to have represented to the Issuer and the Initial Purchasers that the investor (i) is purchasing as principal, or is deemed to be purchasing as principal in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (ii) is an "accredited investor" as such term is defined in section 1.1 of National Instrument 45-106 Prospectus Exemptions ("*NI 45-106*") or, in Ontario, as such term is defined in section 73.3(1) of the Securities Act (Ontario); and (iii) is a "permitted client" as such term is defined in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Taxation and Eligibility for Investment

Any discussion of taxation and related matters contained in this offering memorandum does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a Canadian investor when deciding to purchase the Notes and, in particular, does not address any Canadian tax considerations. No representation or warranty is hereby made as to the tax consequences to a resident, or deemed resident, of Canada of an investment in the Notes or with respect to the eligibility of the Notes for investment by such investor under relevant Canadian federal and provincial legislation and regulations.

Rights of Action for Damages or Rescission

Securities legislation in certain of the Canadian jurisdictions provides certain purchasers of securities pursuant to an offering memorandum (such as this offering memorandum), including where the distribution involves an "eligible foreign security" as such term is defined in Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions* and in Multilateral

Instrument 45-107 *Listing Representation and Statutory Rights of Action Disclosure Exemptions*, as applicable, with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where the offering memorandum, or other offering document that constitutes an offering memorandum, and any amendment thereto, contains a "misrepresentation" as defined under applicable Canadian securities laws. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed under, and are subject to limitations and defenses under, applicable Canadian securities legislation. In addition, these remedies are in addition to and without derogation from any other right or remedy available at law to the investor.

Language of Documents

Upon receipt of this document, each Canadian investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Prohibition of Sales to EEA Retail Investors

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression "*retail investor*" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of Insurance Mediation Directive where that customer would not qualify as a professional client as defined in point (110) of Article 4(1) of MiFID II.

European Economic Area

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State"), each initial purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this offering memorandum to the public in that Relevant Member State other than:

- to any legal entity which is a "qualified investor" as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant initial purchaser or initial purchasers nominated by the Issuer for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes shall require the Issuer or any initial purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "*offer of Notes to the public*" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "Prospectus

Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure each Relevant Member State.

United Kingdom

This offering memorandum is for distribution only to, and is only directed at, persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "*Financial Promotion Order*"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "*relevant persons*"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. No part of this offering memorandum should be published, reproduced, distributed or otherwise made available in whole or part to any other person without the prior written consent of the Issuer. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. The Notes are not being offered or sold to any person in the United Kingdom, except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of the Financial Services and Markets Act 2000.

France

This offering memorandum has not been prepared in the context of a public offer of financial securities (*offre au public de titres financiers*) in France within the meaning of Article L.411-1 of the *French Code monétaire et financier* and the *Règlement Général of the Autorité des marchés financiers* (the French financial markets authority, or "*AMF*") and, therefore, has not been approved by, registered or filed with the AMF. Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France, and neither this offering memorandum nor any offering or marketing materials relating to the Notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France.

The Notes may only be offered or sold in France pursuant to Article L. 411-2-II of the French *Code monétaire et financier* to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), acting for their own account, all as defined in and in accordance with Articles L.411-1, L.411-2, D.411-1, D.411-4, D.744-1, D.754-1 and D.764-1 of the French Code *monétaire et financier*. No re-transfer, directly or indirectly, of the Notes in France, other than in compliance with applicable laws and regulations and in particular those relating to a public offering (which are, in particular, embodied in Articles L.411-1, L.411-2, L.412-1 and L.621-8 et seq. of the French *Code monétaire et financier*) shall be made.

Ireland

Each of the Initial Purchasers represents warrants and agrees that:

(a) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of S.I. No. 375/2017, European Union (Markets in Financial Instruments) Regulations 2017 (as amended) (MiFID II Regulations), and the provisions of the Investor Compensation Act 1998 (as amended);

(b) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 - 2015 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);

(c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended), the Irish Companies Act 2014 (as amended) and any rules issued under Section 1363 of the Irish Companies Act 2014 (as amended) by the Central Bank of Ireland; and

(d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014), the Market Abuse Directive on Criminal Sanctions for Market Abuse (Directive 2014/57), the European Union (Market Abuse) Regulation 2016 (as amended) and any rules issued under Section 1370 of the Irish Companies Act 2014 (as amended) by the Central Bank of Ireland.

Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("*CONSOB*") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this offering memorandum or of any other document relating to any Notes be distributed in Italy, except: (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "*Financial Services Act*") and Article 34-*ter*, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "*Issuers Regulation*"), all as amended from time to time; or (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this offering memorandum or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be: (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "*Banking Act*") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time; (ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and (iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

Switzerland

This offering memorandum, as well as any other material relating to the Notes which are the subject of the offering contemplated by this offering memorandum, do not constitute an issue prospectus pursuant to article 652a and/or article 1156 of the Swiss Code of Obligations and may not comply with the Directive for Notes of Foreign Borrowers of the Swiss Bankers Association. The Notes will not be listed on the SIX Swiss Exchange Ltd., and, therefore, the documents relating to the Notes, including, but not limited to, this offering memorandum, do not claim to comply with the disclosure standards of the Swiss Code of Obligations and the listing rules of SIX Swiss Exchange Ltd. and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange Ltd. The Notes are being offered in Switzerland by way of a private placement (*i.e.*, to a small number of selected investors only), without any public advertisement and only to investors who do not purchase the Notes with the intention to distribute them to the public. The investors will be individually approached directly from time to time. This offering memorandum, as well as any other material

relating to the Notes, is personal and confidential and does not constitute an offer to any other person. This offering memorandum, as well as any other material relating to the Notes, may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without the Issuer's express consent. This offering memorandum, as well as any other material relating to the Notes, may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

Belgium

The Notes are not intended to be offered, sold to or otherwise made available to and should not be offered, sold or otherwise made available in Belgium to any "consumer" (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek economisch recht/Code de droit economique*) of February 28, 2013, as amended from time to time.

Hong Kong

The Notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "*SFA*"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each Initial Purchaser has agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

New Zealand

This offering memorandum has not been and will not be registered in New Zealand. The Notes may not be offered or sold directly or indirectly in New Zealand, other than to the following persons only:

- to persons whose principal business is the investment of money;
- to persons who, in the course of and for the purposes of their business, habitually invest money; or
- to persons who are each required to pay a minimum subscription price for the Notes of at least NZ$500,000 before the allotment of such Notes.

Settlement

We expect that delivery of the Notes will be made against payment therefor on or about the business day following the date of confirmation of orders with respect to the Notes (this settlement cycle being referred to as "T+ "). Under Rule 15c6-1 of the SEC under the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes before the Notes are delivered will be required, by virtue of the fact that the Notes initially will settle in T+ , to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes before their delivery should consult their own advisor.

Relationships with the Initial Purchasers

The Initial Purchasers and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The Initial Purchasers and their affiliates from time to time have provided, or in the future may provide, various investment and commercial banking and financial advisory services to us and our affiliates and subsidiaries, for which they have received, or in the future will receive, customary fees and commissions and they expect to provide these services to us and others in the future, for which they expect to receive customary fees and commissions. In addition, affiliates of the Initial Purchasers from time to time have acted, or in the future may act, as agents and lenders to us and our affiliates and subsidiaries under our or their respective credit facilities and other asset-based and asset-backed financing arrangements, or as trustee under the indentures governing our Senior Notes, for which services they have received, or in the future will receive, customary compensation.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities

and/or instruments of ours or our affiliates. If any of the Initial Purchasers or their affiliates has a lending relationship with us, certain of those Initial Purchasers or their affiliates routinely hedge, and certain other of those Initial Purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Affiliates of certain of the Initial Purchasers 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.

Certain of the Initial Purchasers and/or affiliates of certain of the Initial Purchasers may beneficially own a portion of our outstanding 4.375% Senior Notes Due 2019 and/or may be lenders under our European Revolving Credit Facility, and as a result may receive a portion of the proceeds from this offering. See "*Use of Proceeds*."

Certain of the Initial Purchasers and/or affiliates of certain of the Initial Purchasers may also be lenders under our Senior Secured Credit Facility and/or certain of our securitization facilities (including our vehicle debt facilities).

TRANSFER RESTRICTIONS

Purchasers of the Notes are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes have not been registered under the Securities Act or any state securities laws and unless so registered may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except to (i) QIBs in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (ii) persons in offshore transactions in reliance on Regulation S.

Each purchaser of the Notes will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

(1) The purchaser (A) (i) is a QIB within the meaning of Rule 144A, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring the Notes for its own account or for the account of a QIB or (B) is a non-U.S. person and is purchasing the Notes in an offshore transaction pursuant to Regulation S.

(2) The purchaser understands that the Notes are being offered in a transaction not involving any public offering in the U.S. within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act and that (A) if in the future it decides to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only (i) in the U.S. to a person whom the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the U.S. in a transaction complying with the provisions of Rule 903 or 904 under the Securities Act, (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 (if available), or (iv) pursuant to an effective registration statement under the Securities Act, in each of cases (i) through (iv) in accordance with any applicable securities laws of any state of the U.S., and (B) the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from it of the resale restrictions referred to in (A) above.

(3) The purchaser acknowledges that none of the Issuer, the Guarantors, or the Initial Purchasers, nor any person representing any of them, has made any representation to you with respect to the Issuer or the offer or sale of any of the Notes, other than the information contained or incorporated by reference in this offering memorandum, which offering memorandum has been delivered to the purchaser and upon which the purchaser is relying in making his investment decision with respect to the Notes. The purchaser acknowledges that neither the Initial Purchasers nor any person representing the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this offering memorandum. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as he has deemed necessary in connection with his decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, the Issuer and the Initial Purchasers.

(4) The purchaser is purchasing the Notes for his own account, or for one or more investor accounts for which he is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities law, subject to any requirement of law that the disposition of his property or the property of such investor account or accounts be at all times within its or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

(5) The purchaser understands that the Notes will, until the expiration of the applicable holding period with respect to the Notes set forth in Rule 144(d)(1) of the Securities Act, unless otherwise agreed by the Issuer and the holder thereof, bear a legend substantially to the following effect:

"**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 (1) 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 OFFER, RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) (I) TO THE ISSUER OR ANY AFFILIATE OR SUBSIDIARY THEREOF, (II) 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) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT (IF AVAILABLE), (IV) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (V) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL ACCEPTABLE TO THE ISSUER), OR (VI) 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 SUBCLAUSE (V) OF CLAUSE (2)(A) ABOVE, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRANSFER AGENT AND THE ISSUER 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 REGULATION S UNDER THE SECURITIES ACT."

(6) Each person located in a Member State of the EEA to whom any offer of the Notes is made, or who receives any communication in respect of an offer of the Notes, or who initially acquires any Notes, or to whom the Notes are otherwise made available will be deemed to have represented, warranted, acknowledged and agreed to and with each Initial Purchaser, the Issuer and the Guarantors that it is not a retail investor. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Each purchaser and transferee of the Notes will be deemed to have represented and agreed as follows:

(1) Either: (A) it is not, and is not acting on behalf of, a Plan (which term includes (i) employee benefit plans that are subject to the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"), (ii) plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code, or to provisions under applicable federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code ("*Similar Laws*") and (iii) entities the underlying assets of which are considered to include "plan assets" of such plans, accounts and arrangements) and it is not purchasing the Notes on behalf of, or with the "assets" of, any Plan; or (B) none of its purchase, holding and subsequent disposition of the Notes or any interest constitutes a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 the Code or a similar violation under any applicable Similar Laws; and

(2) It will not transfer the Notes to any person or entity, unless such person or entity could itself truthfully make the foregoing representations and covenants.

(3) Each purchaser and transferee of the Notes that is a Plan or is purchasing or holding the Notes on behalf of or with "plan assets" of any Plan, will be deemed to have represented and agreed that the decision to acquire and hold the Notes has been made by a duly authorized fiduciary who is independent(a) none of the Issuer, the Parent Guarantor, the Initial Purchasers, the Trustee and their respective affiliates (collectively, the "Transaction Parties") and who (i) is a U.S. bank, U.S. insurance carrier, U.S. registered investment adviser, U.S. registered broker-dealer or independent fiduciary with at least $50 million of assets under management or control has acted as the Plan's fiduciary, or has been relied upon for any advice, with respect to the Plan's decision to acquire and hold the Notes and none of the Transaction Parties will at any time be relied upon as the Plan's fiduciary with respect to any decision to acquire, continue to hold or transfer the Notes and (b) the decision to acquire and hold the Notes has been made be a duly authorized fiduciary who is independent of the Transaction Parties and who (i) is a (A) bank as defined in Section 202 of the Investment Advisers Act of 1940, as amended (the "Advisers Act") or similar institution that is regulated and supervised and subject to periodic examination by a state or federal agency of the United States, (B) insurance carrier which is qualified under the laws of more than one state of the United States to perform the services of managing, acquiring or disposing of assets of such a Plan, (C) an investment adviser registered under the Advisers Act or, if not registered an as investment adviser under the Advisers Act by reason of paragraph (1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the state (referred to in such paragraph (1)) in which it maintains its principal office and place of business, (D) broker-dealer registered under the Securities Exchange Act of 1934, as amended or (E) an "independent fiduciary" within the meaning of US Code of Federal Regulations 29 C.F.R.

Section 2510.3-21(c), as amended from time to time, that holds or has at least $50 million of assets under management or control and will at all times that the Plan holds the Notes hold or have under management or control, total assets of at least $50 million, (ii) in the case of a Plan that is an individual retirement account ("IRA"), is not the IRA owner, beneficiary of the IRA or relative of the IRA owner or beneficiary, (iii) is capable of evaluating investment risks independently, both in general and with regard to the prospective investment in the Notes, (iv) is a fiduciary under ERISA or the Code, or both, with respect to the decision to acquire and hold the Notes, (v) has exercised independent judgment in evaluating whether to invest the assets of the Plan in the Notes, (vi) understands and has been fairly informed of the existence and the nature of the financial interests of the Transaction Parties in connection with the Plan's acquisition of the Notes, (vii) understands that the Transaction Parties are not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity to the Plan, in connection with the Plan's acquisition of the Notes and (viii) confirms that no fee or other compensation will be paid directly to any of the Transaction Parties by the Plan, or any fiduciary, participant or beneficiary of the Plan, for the provision of investment advice (as opposed to other services) in connection with the Plan's acquisition of the Notes.

LEGAL MATTERS

The validity of the Notes will be passed upon for the Issuer by White & Case LLP, our U.S. counsel, and Linklaters LLP, our English and Dutch counsel. Jenner & Block LLP also advised the Issuer in connection with the offering of the Notes. Latham & Watkins LLP advised the Initial Purchasers in connection with the offering of the Notes for matters of U.S. law, and NautaDutilh N.V. advised the Initial Purchasers in connection with the offering of the Notes for matters of Dutch law.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The financial statements of Hertz incorporated in this offering memorandum by reference to the Form 10-K for the year ended December 31, 2017 and the effectiveness of internal control over financial reporting as of December 31, 2017 have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which contains an adverse opinion on the effectiveness of internal control over financial reporting incorporated herein.

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

The following is a summary description of certain limitations on the validity and enforceability of the Guarantees for the Notes, and a summary of certain insolvency law considerations in some of the jurisdictions in which the Issuer and the Guarantors are incorporated or organized. The description is only a summary and does not purport to be complete or to discuss all of the limitations or considerations that may affect the validity and enforceability of the Notes and the Guarantees. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations.

European Union

The Issuer and certain of the Non-U.S. Subsidiary Guarantors are organized under the laws of Member States of the EU.

The EC Regulation 2015/848 of the European Parliament and of the Council of May 20, 2015 on Insolvency Proceedings (the "*EC Regulation*") entered into force on June 26, 2017 and is applicable to insolvency proceedings opened after that date replacing EC Regulation No. 1346/2000 on insolvency proceedings (which continues to apply to insolvency proceedings opened prior to or on June 26, 2017). The EC Regulation is effective in all EU Member States other than Denmark. Pursuant to the EC Regulation, the court which shall have jurisdiction to open (main) insolvency proceedings in relation to a debtor company is the court of the Member State (other than Denmark) where the company concerned has its "centre of main interests" ("*COMI*") (as that term is used in Article 3(1) of the EC Regulation). The determination of where any such company has its COMI is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

The term COMI is not a static concept and may change from time to time. There is a rebuttable presumption under Article 3(1) of the EC Regulation that any such company has its COMI in the Member State in which it has its registered office in the absence of proof to the contrary (that presumption shall only apply if the registered office has not been moved to another Member State with the three-month period prior to the request for the opening of insolvency proceedings). However, Preamble 30 and Article 3(1) of the EC Regulation states that the COMI of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and "is therefore ascertainable by third parties." In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business and the location where the large majority of the company's creditors are established may all be relevant in the determination of the place where the company has its COMI.

The question of where a company's COMI is located must be determined at the time that the relevant insolvency proceedings are opened. If the COMI of a company is in the Member State (other than Denmark) in which it has its registered office, the main insolvency proceedings in respect of the company under the EC Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EC Regulation. Insolvency proceedings opened in one Member State (other than Denmark) under the EC Regulation are to be recognized in the other Member States (other than Denmark), although secondary or territorial proceedings may be opened in another Member State. If the COMI of a debtor is in one Member State (other than Denmark), under Article 3(2) of the EC Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open secondary or territorial proceedings only in the event that such debtor has an "establishment" (within the meaning and as defined in Article 2(10) of the EC Regulation) in the territory of such other Member State. An "establishment" is defined as "any place of operations where a debtor carries out or has carried out in the three month period prior to the request to open main insolvency proceedings a

non-transitory economic activity with human means and assets." Accordingly, the opening of secondary or territorial insolvency proceedings in another EU Member State will also be possible if the debtor had an establishment in such EU Member State in the three month period prior to the request for commencement of main insolvency proceedings which has since been closed.

Where main proceedings have been commenced in the Member State in which the debtor has its COMI, any proceedings commenced subsequently in another Member State in which the debtor has an establishment shall be secondary insolvency proceedings. The effects of such secondary or territorial insolvency proceedings will be restricted to the assets of the company located in that Member State and the main insolvency proceedings can only be opened in the Member State (other than Denmark) in which the company is found to have its COMI. Where main proceedings in the Member State in which the debtor has its COMI have not yet been commenced, territorial insolvency proceedings may only be commenced in another Member State where the debtor has an establishment where either (i) insolvency proceedings cannot be commenced in the Member State in which the debtor's COMI is situated under of the conditions laid down by that Member State's law; or (ii) the opening of territorial insolvency proceedings is requested by (x) a creditor whose claim arises from or is in connection with the operation of an establishment situated within the territory of the Member State where the opening of territorial proceedings is requested, or (y) a public authority which, under the law of the Member State within the territory of which the establishment is situated, has the right to request the opening of insolvency proceedings. Irrespective of whether the insolvency proceedings are main or secondary/ territorial insolvency proceedings, such proceedings will, subject to certain exceptions, be governed by the lex fori concursus, i.e., the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the debtor.

If the company does not have an establishment in any other Member State, other Member State's court has jurisdiction to open secondary/territorial proceedings in respect of such company under the EC Regulation.The courts of all Member States (other than Denmark) must recognize the judgment of the court commencing main proceedings, which will be given the same effect in the other Member States so long as no secondary or territorial proceedings have been commenced there. The insolvency practitioner appointed by a court in a Member State which has jurisdiction to commence main proceedings (because the debtor's COMI is there) may exercise the powers conferred on it by the laws of that Member State in another Member State (such as to remove assets of the debtor from that other Member State) subject to certain limitations, as long as no insolvency proceedings have been commenced in that other Member State or no preservation measures have been taken to the contrary further to a request to commence insolvency proceedings in that other Member State where the debtor has assets. The EC Regulation has created a treatment for groups of companies experiencing difficulties by the commencement of group coordination proceedings and the appointment of an insolvency practitioner in order to facilitate the effective administration of the insolvency proceedings of a group's members.

In addition, the concept of "group proceedings" has been introduced in the EC Regulation with the aim of bolstering communication and efficiency in the insolvency of several members of a group of companies. Under Article 61 of the EC Regulation, group coordination proceedings may be requested before any court having jurisdiction over the insolvency proceedings of a member of the group, by an insolvency practitioner appointed in insolvency proceedings opened in relation to a member of the group. Participation in group proceedings and adherence to the coordinating insolvency practitioner's recommendations or plan however is voluntary.

In the event that any one or more of the Issuer or the Guarantors experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations and the security of the Issuer and the Guarantors.

The Netherlands

Insolvency

The Issuer and Hertz Automobielen Nederland B.V. are incorporated in The Netherlands and it is therefore presumed that their COMI is in the Netherlands. Any insolvency proceedings with respect to these entities would likely be opened in the Netherlands and, as a result, be governed by Dutch insolvency law. Under certain circumstances, bankruptcy proceedings may also be opened in The Netherlands in accordance with Dutch law over the assets of companies that are not incorporated under Dutch law.

The following is a brief description of certain aspects of Dutch insolvency law.

There are two primary insolvency regimes under Dutch law in relation to corporations. The first, moratorium of payments (*surseance van betaling*), is intended to facilitate the reorganization of a debtor's indebtedness and enable the debtor to continue as a going concern. The second, bankruptcy (*faillissement*), is primarily designed to liquidate and distribute the proceeds of the assets of a debtor to its creditors. Both insolvency regimes are set forth in the Dutch Bankruptcy Act. In practice, bankruptcy proceedings may also be used to sell the business, or parts of the business, as a going concern. As such, a bankruptcy could function as a restructuring procedure as well as a liquidation procedure. A general description of the principles of both insolvency regimes is set out below.

An application for a moratorium of payments can only be made by the debtor itself. Once the request for a moratorium of payments is filed, the court will immediately (*dadelijk*) grant a provisional moratorium and appoint an administrator (*bewindvoerder*). A meeting of creditors is required to decide on the definitive moratorium. If a draft composition (*ontwerp akkoord*) is filed simultaneously with the application for a moratorium of payments, the court can order that the composition will be processed before a decision about a definitive moratorium. If the composition is accepted and subsequently confirmed by the court (*gehomologeerd*), the provisional moratorium ends. The definitive moratorium will generally be granted unless a qualified minority (more than one-quarter in amount of claims held by creditors represented at the creditors' meeting or more than one-third in number of creditors represented at such creditors' meeting) of the unsecured non-preferential creditors withholds its consent. The moratorium of payments is only effective with regard to unsecured non-preferential creditors. Unlike Chapter 11 proceedings under US bankruptcy law, during which both secured and unsecured creditors are generally barred from seeking to recover on their claims during a moratorium of payments, under Dutch law, secured and preferential creditors (including tax and social security authorities) may enforce their rights against assets of the company in moratorium of payments to satisfy their claims as if there were no moratorium of payments. A recovery under Dutch law could, therefore, involve a sale of assets that does not reflect the going concern value of the debtor. However, the court may order a "cooling down period" for a maximum period of four months during which enforcement actions by secured or preferential creditors are barred. Also in a definitive moratorium of payments, a composition (*akkoord*) may be offered to creditors. A composition will be binding on all unsecured and non-preferential creditors if it is (i) approved by a simple majority of the creditors being present or represented at the creditors' meeting, representing at least 50% of the amount of the claims that are admitted for voting purposes, and (ii) subsequently ratified (*gehomologeerd*) by the court. Consequently, Dutch insolvency laws could preclude or inhibit the ability of the Noteholders to effect a restructuring and could reduce the recovery of a Noteholder in Dutch moratorium of payments proceedings. Interest payments that fall due after the date on which a moratorium of payments is granted cannot be claimed in a composition.

Under Dutch law, a debtor can be declared bankrupt when it is no longer able to pay its debts when due. The bankruptcy can be requested by the debtor itself or a creditor whose claim is due and payable but left unpaid, provided that there is at least one other eligible creditor or, in exceptional circumstances (*e.g.*, for reasons of public interest), by the public prosecutor.

If the court declares a company bankrupt, it will appoint a receiver (*curator*) (or several receivers, depending on the complexity of the proceedings) and a judge to supervise the insolvency proceedings. The receiver will realize the company's assets and distribute the proceeds to the company's creditors in accordance with the statutory order of payment. The general principle of Dutch bankruptcy law is the so-called *paritas creditorum* (principle of equal treatment), which means that all creditors have an equal right to payment and that the proceeds of bankruptcy proceedings shall be distributed in proportion to the size of their claims. However, certain creditors (such as secured creditors and preferential creditors, including tax and social security authorities) will have special rights that take priority over the rights of other creditors. As a general rule, claims of unsecured and non-preferential creditors will have to be submitted to the receiver in bankruptcy to be verified. Any remaining funds will be distributed to the company's shareholders. Creditors of secured claims and preferential creditors with respect to certain assets of a debtor, who expect that the proceeds of a future enforcement against the assets subject to the security or their preferred rights, as the case may be, will be insufficient to satisfy their claim in full, may request to receive the same rights as unsecured and non-preferential creditors with respect to the expected remainder of their claim, with preservation of their rights as a secured or preferential creditor in respect of the secured asset or the asset to which the relevant preferential right relates. If a secured creditor enforces its security rights prior to the expiry of the period for submitting claims for verification, and the proceeds of such enforcement are insufficient to satisfy its claim in full, the remainder of that claim may be submitted to the receiver in bankruptcy in order to be verified. "Verification" under Dutch law means that the receiver in bankruptcy determines the value of the claim and whether and to what extent it will be admitted in the bankruptcy proceedings to the purpose of the distribution of the proceeds. A claim with an uncertain due date or which entitles the creditor to periodic payments shall be admitted for its value at the date of the bankruptcy order. Claims which become payable within one year after the day the debtor is declared bankrupt shall be considered matured. Claims which become payable one year after the commencement of bankruptcy proceedings shall be admitted for their value one year from the date of the commencement of the bankruptcy. Claims having an indeterminate or uncertain value or whose value is not expressed in Dutch currency or not expressed in money at all, shall be admitted for their estimated value in Dutch currency. Interest payments on claims existing at the time of the bankruptcy order that fall due after such time cannot be verified, unless secured by a pledge or mortgage. In that event, interest will be admitted *pro memoria*. To the extent that the interest is not covered by the proceeds of the security the creditor may not derive any rights from the admission. The existence, value and ranking of any claims submitted by the Noteholders may be challenged in the Dutch bankruptcy proceedings. Generally, in a creditors' meeting (*verificatievergadering*), the receiver in bankruptcy, the insolvent debtor and all verified creditors may dispute the verification of any other claim that has been submitted for verification. Creditors whose claims or value thereof are disputed in the creditors meeting may be referred to separate court proceedings (*renvooi procedure*). As in moratorium of payments proceedings, in a bankruptcy a composition may be offered to creditors, which shall be binding on unsecured non-preferential creditors if (i) it is approved by a simple majority of the creditors being present or represented at the creditors' meeting, representing at least 50% of the amount of the claims that are admitted for voting purposes, and (ii) subsequently ratified (*gehomologeerd*) by the court. The Dutch Bankruptcy Act does not in itself recognize the concept of classes of creditors. Remaining amounts, if any, after satisfaction of the secured and the preferential creditors are distributed among the unsecured non-preferential creditors, who will be satisfied on a pro rata basis. Contractual subordination may to a certain extent be given effect in Dutch insolvency proceedings. The actual effect depends largely on the way such subordination is construed.

Secured creditors may enforce their rights against assets of the debtor that are subject to the security to satisfy their claims during a Dutch bankruptcy as if there is no bankruptcy. As in moratorium of payments proceedings, the court may order a "cooling down period" for a maximum of four months during which all recourse actions (including action to enforce security) by secured

creditors (other than estate creditors (*boedelschuldeisers*)), are prohibited unless such creditors have obtained leave from the supervisory judge. Further, a receiver in bankruptcy can force a secured creditor to enforce its security interest within a reasonable period of time, failing which the receiver will be entitled to sell the secured assets. Failing enforcement before such deadline, the receiver is permitted to sell the secured asset. After such a sale, the former holder of the security right remains entitled to a prioritized claim, but the underlying assets are no longer available for immediate recourse and the secured creditor will need to contribute to the general costs of the bankruptcy to be paid out of the proceeds realized by such a sale by the liquidator. If the proceeds of sale are insufficient to repay the debt owed to the secured creditor, the secured creditor will be treated as an unsecured creditor for the balance of its residual claims. Excess proceeds of enforcement must be returned to the bankruptcy estate; they may not be set-off against an unsecured claim of the secured creditor in the bankruptcy. Such set-off is allowed prior to the bankruptcy although a set-off prior to bankruptcy may be subject to clawback in the case of fraudulent conveyance or bad faith in obtaining the claim used for set-off.

Under Dutch law, as soon as a debtor is declared bankrupt, all pending executions of judgments against such debtor, as well as all attachments on the debtor's assets, will be terminated by operation of law. Litigation pending on the date of the bankruptcy order is automatically stayed.

Limitation on Enforcement

A transaction (such as the granting of a guarantee) entered into by a Dutch company may be nullified by that company or its receiver in bankruptcy if that transaction is a transgression of the corporate objects of that company, and, as a consequence, may not be valid, binding and enforceable against it. In determining whether the granting of such guarantee is in the interest of the relevant company, the Dutch courts would not only consider the text of the objects clause in the articles of association of the company but all relevant circumstances, including whether the company derives certain commercial benefits from the transaction in respect of which the guarantee was granted. In addition, if it is determined that there are no, or insufficient, commercial benefits from the transactions for the company that grants the guarantee, the company (or its bankruptcy receiver) may contest the enforcement of the guarantee, and it is possible that such challenge would be successful. Such benefit may, according to Dutch case law, consist of an indirect benefit derived by the company as a consequence of the interdependence of such company with the group of companies to which it belongs. In addition, it is relevant whether, as a consequence of the transaction, the continuity of such company would foreseeably be endangered. It remains possible that even if such strong financial and commercial interdependence exists, the transaction may be declared void if it appears that the transaction cannot serve the realization of the relevant company's objects.

It is unclear whether a transaction can be nullified for being a transgression of the corporate objects of a company if that transaction is expressly permitted according to the wording of the objects clause in the articles of association of that company. In a recent decision, a Dutch court of appeal ruled that circumstances such as the absence of corporate benefit are in principle not relevant if the relevant transaction is expressly permitted according to the objects clause in the articles of association of the company. However, there is no decision of the Dutch Supreme Court confirming this, and therefore there can be no assurance that a transaction which is expressly permitted according to the objects clause in the articles of association of a company cannot be nullified for being a transgression of the corporate objects of that company. The objects clauses in the articles of association of the Dutch Guarantor includes the issuance of guarantees in favor of Group companies and third parties.

Hardening Periods and Fraudulent Conveyance

To the extent that Dutch law applies, a legal act performed by a debtor (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third

party and any other legal act having a similar effect) can be challenged in an insolvency proceeding or otherwise and may be nullified by any of its creditors or its receiver in bankruptcy, if (i) it performed such acts without an obligation to do so (*onverplicht*), (ii) generally the creditor concerned or, in the case of its bankruptcy, any creditor was prejudiced as a consequence of the act, and (iii) at the time the act was performed both it and (unless the act was for no consideration (*om niet*)) the party with or towards which it acted, knew or should have known that one or more of its creditors (existing or future) would be prejudiced. In addition, in the case of such a bankruptcy, their receiver in bankruptcy may nullify its performance of any due and payable obligation if (i) the payee *(hij die betaling ontving*) knew that a request for bankruptcy had been filed at the moment of payment, or (ii) the performance of the obligation was the result of concerted efforts by the debtor and the payee with a view to give preference to the latter over the debtor's other creditors.

For certain types of transactions that are entered into within one year before (a) the declaration of the bankruptcy, or (b) the moment the transaction is challenged by a creditor, the debtor and the counterparty to the transaction are legally presumed to have knowledge of the fact that the transaction will prejudice the debtor's creditors (subject to evidence of the contrary).

Belgium

Limitation on Enforcement

The obligations under the Notes and Guarantees of any Guarantor with its main establishment (*voornaamste vestiging/établissement principal*) in Belgium (including any Guarantor incorporated and existing in Belgium) must be for the corporate benefit of such Belgian company.

Corporate benefit is not a well-defined term under Belgian law and its interpretation is left to the courts and legal authors. The corporate benefit rules and their application in the context of granting guarantees or collateral for the benefit of a group company are not clearly established under Belgian law and there is only limited case law on this issue.

The question of corporate benefit must be determined on a case-by-case basis. Consideration has to be given to any direct and/or indirect benefit that the company would derive from the transaction and is particularly relevant for upstream or cross-stream guarantees. It is generally taught by legal scholars that such benefit should be proportionally greater than the risk for the guarantor resulting from the granting and/or enforcement of the guarantee concerned. The financial support granted by the company should not exceed its financial capabilities. Belgian case law does not offer clear guidelines on when a group transaction is within the individual group member's corporate benefit and when aforementioned conditions are met.

Whether the corporate benefit requirement is met is a matter for the board of directors of the company granting the guarantee or collateral. The corporate benefit justification by the company's board of directors will be subject to only a "marginal review" by the courts; although in insolvency situations, the courts can be expected to take a more critical view.

If the corporate benefit requirement is not met, the directors of the company may be held liable under civil law (i) by the company for negligence in the management of the company and (ii) by third parties in tort and under criminal law in certain specific circumstances. Moreover, the guarantee could be declared null and void and, under certain circumstances, the creditor that benefits from the guarantee might be held liable for up to the amount of the guarantee or under criminal law in certain specific circumstances. Alternatively, the guarantee could be reduced to an amount corresponding to the corporate benefit or the creditor may be held liable for any guarantee amount in excess of such amount. These rules have been seldom tested under Belgian law, and there is only limited case law on this issue.

In order to enable Belgian subsidiaries to grant a guarantee to secure liabilities of a direct or indirect parent or sister company and to limit and/or exclude the risk of violating Belgian rules on corporate interest, it is standard market practice for indentures, credit agreements, guarantees and security documents to contain "limitation language" in relation to subsidiaries incorporated or established in Belgium. Accordingly, the Indenture will contain such limitation language and the guarantee of a Belgian guarantor may so be limited. Including such limitation language is, however, not conclusive to determine the corporate benefit.

The grant of a guarantee or security by a Belgian company must also be within or serve the corporate purpose and statutory purpose of the Belgian company as described in its articles of association, and the guarantee or security may not include any liability that would result in unlawful financial assistance within the meaning of the Belgian Companies Code.

Based upon the above, guarantee limitation language has been agreed in this transaction with respect to the Guarantees to be granted by a Belgian guarantor in respect of the payment obligations of the Issuer under the Notes:

In the case of each Guarantor having its main establishment (*voornaamste vestiging/établissement principal*) in Belgium and/or incorporated in Belgium (a "*Belgian Guarantor*"), with respect to the obligations of the Issuer or any Guarantor which is not a Subsidiary of that Belgian Guarantor, its liability shall be limited, at any time, to a maximum aggregate amount equal to the greater of:

(i) an amount equal to 95% of such Belgian Guarantor's net assets (*netto actief/actif net*), as determined in accordance with the Belgian Companies Code and accounting principles generally accepted in Belgium, but not taking intra-group debts into account as debts) as shown by its most recent audited annual financial statements on the date on which the relevant demand is made;

(ii) the aggregate amount outstanding on the day prior to the date on which the relevant demand is made, of any intra-group loans or facilities made to it by the Parent Guarantor and/or the Subsidiaries of the Parent Guarantor directly and/or indirectly using all or part of the proceeds of any issued Notes or any drawings under the European Revolving Credit Facility (whether or not such intra-group loan is retained by the relevant Belgian Guarantor for its own purposes or on-lent to the Parent Guarantor and/or the Subsidiaries of the Parent Guarantor) outstanding on the date on which the relevant demand is made; and

(iii) the aggregate value of the enforcement proceeds of the assets that have been pledged or mortgaged to the benefit of the holders by the relevant Belgian Guarantor.

The grant of a guarantee by a Belgian company must further be within the corporate purpose of the Belgian company as described in its articles of association, and the guarantee may not include any liability which would result in unlawful financial assistance within the meaning of the Belgian Company Code.

Insolvency

In the event of an insolvency of a Guarantor with its main establishment in Belgium (including any Guarantor incorporated and existing in Belgium), main insolvency proceedings may be initiated in Belgium. Such main proceedings would then be governed by Belgian law. Under certain circumstances, Belgian law also allows secondary bankruptcy proceedings to be opened in Belgium over the assets of companies that are not established under Belgian law. The following is a brief description of certain aspects of Belgian insolvency law to the extent relevant in the context of the present transaction.

Belgian insolvency laws provide for two insolvency procedures: a judicial reorganization (*gerechtelijke reorganisatie/réorganisation judiciaire*) and bankruptcy proceedings (*faillissement/faillite*).

Judicial Reorganization

The judicial reorganization proceedings are regulated by the Act of January 31, 2009 on the Continuity of Enterprises (the "*Act on the Continuity of Enterprises*"), as amended from time to time.

The Act on the Continuity of Enterprises provides for three types of reorganization: (i) the amicable settlement, (ii) the collective agreement and (iii) the transfer of (part of) the activities. The type of reorganization may change during the proceedings and may also depend on the position of the court and/or third parties. In the case of an amicable settlement, the parties to such amicable settlement will be bound by the terms they have agreed. In the case of a judicial reorganization by collective agreement, the creditors agree to a restructuring plan during the reorganization procedure.

A debtor may file a petition for judicial reorganization if the continuity of the enterprise is at risk, whether immediately or in the future. The contents of this principle are broad and are defined in practice by the courts. If the net assets of the debtor have fallen under 50% of its registered capital *(maatschappelijk kapitaal/capital social)*, the continuity of the debtor is always presumed to be at risk.

The court may accept a petition for judicial reorganization in other circumstances; for instance, if the activity of the company may be hampered or shut down by creditors. The fact that the conditions for the bankruptcy are met (entailing that the debtor has the legal obligation to declare bankruptcy under the Act of August 8, 1997 on bankruptcy proceedings (the "*Belgian Bankruptcy Act*")), does not preclude the debtor from applying for judicial reorganization. Since 2013, the petition for judicial reorganization must indicate the measures and proposals that will be taken or made by the debtor to carry out the reorganization. A number of documents must also be attached to the petition, including, but not limited to, an interim balance sheet and income statement, prepared under the supervision of an auditor, an external expert accountant or a certified tax accountant.

As from the filing of the petition and as long as the court overseeing a judicial reorganization has not issued a ruling on the reorganization petition, the debtor cannot be declared bankrupt or wound up by court order. In addition, during the period between the filing of the petition and the court's decision, subject to certain exceptions, none of the debtor's assets may be disposed of by any of its creditors as a result of the enforcement of any security interests that such creditors may hold with respect to such assets.

The Act on the Continuity of Enterprises provides that, within a period of 14 days as from the filing of the petition, the court will hear the debtor and/or his or her legal counsel on the petition for reorganization and will hear the report from the delegated judge. After this hearing, the court will rule within eight days on the petition for judicial reorganization. If the conditions for judicial reorganization appear to be met, and all required documents have been provided, the court will declare the judicial reorganization open, allowing a temporary moratorium for a maximum period of six months. At the request of the debtor and pursuant to the report issued by the delegated judge, the moratorium period can be extended by six months. In exceptional circumstances (such as due to the size of the business, the complexity of the case or the impact of the procedure on employment), and in the interest of the creditors, the court may order an additional extension of the moratorium period for six months.

The granting of the moratorium operates as a stay on enforcement. No enforcement measures with respect to preexisting claims can be continued or initiated against any of the debtor's assets from the time that the moratorium is granted until the end of the period, with a few exceptions. During the duration of the moratorium, no attachments can be made with regard to pre-existing claims.

Conservatory attachments that existed prior to the opening of the judicial reorganization retain their conservatory character, but the court may order their release, provided that such release does not have a material adverse effect on the situation of the creditor concerned.

If receivables are pledged by the debtor in favor of a creditor prior to the opening of the judicial reorganization procedure, such pledge will not be affected by the moratorium, provided that the receivables are pledged specifically to that creditor from the moment when the pledge is created. The holder of such pledged receivables is permitted to take enforcement measures against the estate of the initial counterparty of the debtor (such as the debtor's customers) during the moratorium. Receivables which form part of a pledge over business assets do not benefit from such exemption. A pledge, on financial instruments within the meaning of the Financial Collateral Law of December 15, 2004 (the "Belgian Financial Collateral Act"), such as shares in the Belgian Guarantors, can be enforced notwithstanding the enforcement prohibition imposed by the moratorium (unless considered an abuse of right). In the case of a pledge on cash held on accounts, the enforcement prohibition applies, save in the event of a payment default or if certain other conditions are met. Personal guarantees granted by third parties in favor of the debtor's creditors are not covered by the enforcement prohibition imposed by the moratorium, nor are the debts payable by co-debtors, subject to certain exceptions or qualifications in respect of guarantees granted by individuals. The moratorium also does not prevent the voluntary payment by the debtor of claims covered by the moratorium, to the extent such payment is necessary for the continuity of the enterprise.

During the judicial reorganization proceedings, the board of directors and management of the debtor continue to exercise their management functions. Upon request of the debtor or any other interested party and to the extent it is deemed useful for reaching the aims of the restructuring, however, the court may appoint, in its decision to open the judicial reorganization procedure or at any other point in time during the course of the procedure, a judicial administrator (*gerechtsmandataris*/*mandataire de justice*) to assist the debtor during the restructuring. The court may also appoint a judicial administrator, upon the request of any interested party or the public prosecutor, in the event of manifestly grave shortcomings (*kennelijke en grove tekortkomingen*/*manquements graves et caractérisée*) of the debtor or any of its corporate bodies insofar as such measure can safeguard the continuity of the debtor. In addition, in the event of manifestly gross negligence (*kennelijk grove fout*/*faute grave et caractérisée*) or manifest bad faith, the court may, upon the request of any interested party or the public prosecutor appoint a temporary director (*voorlopig bestuurder*/*administrateur provisoire*) replacing the debtor's corporate bodies for the duration of the moratorium and charged with the management of the debtor.

The delegated judge, appointed by the court to assist the debtor in achieving the goal of the reorganization, has additional powers, including the power to request the court to end the reorganization procedure prematurely if he or she considers that the debtor is clearly not in a state to ensure the continuity of the whole or part of his or her business.

The reorganization procedure aims to preserve the continuity of a company as a going concern. Consequently, the initation of the procedure does not terminate any contracts. Contractual provisions that provide for the early termination or acceleration of the contract upon the filing for or approval of a judicial reorganization, and certain contractual terms such as default interest, may not be enforceable during such a period. Moreover, the Act on the Continuity of Enterprises provides that a creditor may not terminate a contract on the basis of a debtor's default that occurred prior to the restructuring procedure if the debtor remedies such default within a 15-day period following the notification of such default. As an exception to the general rule of continuity of contracts, the debtor may cease performing a contract during the reorganization proceedings, provided that the debtor notifies the creditor, and the decision is necessary for the debtor to be able to propose a reorganization plan to its creditors or to transfer all or part of the company or its assets. The exercise of this right does not prevent the creditor from suspending the performance of its own obligations.

In the case of a judicial reorganization by collective agreement the debtor must, within a period of 14 days following the ruling declaring the judicial reorganization proceedings open, inform each of its creditors individually of the amount of their claims against the debtor as recorded in the books of the

debtor, as well as details regarding security interests, if applicable. Creditors with preexisting claims, as well as any other interested party that claims to be a creditor, can challenge the amounts and the ranking of the secured claims declared by the debtor. The court can determine the disputed amounts and the ranking of such claims on a preliminary basis for the purpose of the reorganization procedure. In addition, the court can, upon the joint request by the debtor and the creditor, change the amount and the ranking of the claim initially declared by the debtor at the latest 15 days before the date on which the creditors will vote on the reorganization plan. If a creditor has not challenged the amount and the ranking of its claim at least 14 days in advance of the date on which the creditors will vote on the approval of the reorganization plan, the amount of its claim will remain unchanged for voting purposes as well as for the purposes of the reorganization plan. The debtor must use the moratorium period to complete and finalize a reorganization plan, with the assistance of the court-appointed administrator, as the case may be. The plan may include measures such as the reduction or rescheduling of liabilities and interest obligations and the conversion of debt into equity and may be based on a differentiated treatment of certain various categories of liabilities.

The maximum duration of the plan is five years. It must be filed with the Clerk's Office of the Commercial Court at least 20 days in advance of the date on which the creditors will vote on the approval of the restructuring plan. The court needs to ratify the restructuring plan prior to its taking effect. A restructuring plan approved by a double majority of the creditors (both in headcount and in value of the claims) and by the court will bind all creditors, including those who voted against the plan or abstained. Secured claims can only be subject to the restructuring plan insofar as the secured creditor has given its consent.

Instead of entering into formal reorganization proceedings as provided by the Act on the Continuity of Enterprises, the debtor can opt for an amicable settlement by drawing up an agreement and joint payment scheme plan with at least two creditors in order to settle its debts. If an agreement is reached for reorganization purposes, it is submitted to the court and entered into a register. Such an amicable settlement will remain enforceable in the event of a later bankruptcy, subject to certain exceptions.

A court-ordered transfer of all or part of the debtor's enterprise can be requested by the debtor in his petition or at a later stage in the procedure. It can be requested by the public prosecutor, by a creditor or by any party who has an interest in acquiring, in whole or in part, the debtor's enterprise, and the court can order such transfer in specific circumstances. The price of the transferred assets should at least be equal to the liquidation value. In case of comparable offers, priority will be given to the offer guaranteeing employment by way of a social agreement.

A court-ordered transfer will be organized by a judicial administrator (*gerechtsmandataris*/*mandataire de justice*) appointed by the court. Following the transfer, the recourse of the creditors will be limited to the transfer price.

Bankruptcy

The bankruptcy procedure is currently governed by the Belgian Bankruptcy Act, as amended from time to time.

A bankruptcy procedure may be initiated by the debtor, by unpaid creditors, upon the initiative of the public prosecutor's office by the provisional administrator of the debtor's assets, by the liquidator of the debtor's assets or by the liquidator of "main insolvency proceedings" opened in another EU member state (other than Denmark) according to the EC Regulation. Once the court ascertains that the requirements for bankruptcy are met, the court will establish a date by which all creditors' claims must be submitted to the court for verification.

Conditions for a bankruptcy order (*faillietverklaring*/*déclaration de faillite*) are that the debtor must be in a situation of cessation of payments (*staking van betaling*/*cessation de paiements*) and be unable to obtain further credit (*wiens krediet geschokt is*/*ébranlement du credit*). Cessation of payments is generally accepted to mean that the debtor is not able to pay its debts as they fall due. Such situation must be persistent and not merely temporary. The mere fact that a debtor has more debts than assets does not mean that the bankruptcy conditions are met. Companies in liquidation can be declared bankrupt up to six months after the judgment of the closing of the liquidation. In bankruptcy, the debtor loses all authority and decision rights concerning the management of the bankrupt entity. The bankruptcy receiver (*curator*/*curateur*) becomes responsible for the operation of the business and implements the sale of the debtor's assets, the distribution of the sale proceeds to creditors and the liquidation of the debtor. The rights of creditors in the process are limited to being informed of the course of the bankruptcy proceedings on a regular basis by the receiver. Creditors may oppose the sale of assets by bringing an action before the court, or may request the temporary continued operation of the business.

The bankruptcy receiver must decide whether or not to continue performance under ongoing contracts (*i.e.*, contracts existing before the bankruptcy order). The bankruptcy receiver may decide not to continue the performance of one or several contracts, subject to certain limitations, according to case law. The counterparty to an ongoing contract may summon the bankruptcy receiver to make a decision within 15 days. If no extension of the 15-day term is agreed upon or if the bankruptcy receiver does not make any decision, the ongoing contract is presumed to be terminated after the expiration of the 15-day term. If the bankruptcy receiver decides not to continue the performance of an ongoing contract or if an ongoing contract is terminated due to the expiration of the 15-day term, the counterparty to the contract may make a claim for damages in the bankruptcy, in which case such claim will rank *pari passu* with the claims of all other unsecured creditors.

The bankruptcy receiver may elect to continue the business of the debtor, provided the bankruptcy receiver obtains the authorization of the court and such continuation does not cause any prejudice to the creditors. Two exceptions apply, however:

- the parties to an agreement may contractually agree that the occurrence of a bankruptcy constitutes an early termination or acceleration event; and
- *intuitu personae* contracts (i.e., contracts whereby the identity of the counterparty constitutes an essential element upon the signing of the contract) are automatically terminated as of the bankruptcy judgment since the debtor is no longer responsible for the management of the company. Parties can agree to continue to perform under such contracts.

As a general rule, enforcement rights of individual creditors are suspended upon the rendering of the court order opening bankruptcy proceedings, and after such order is made, only the bankruptcy receiver may proceed against the debtor and liquidate its assets. Such suspension in principle does not apply to security rights in rem (*zakelijke zekerheden*/*sûretés réelles*), however, subject to the below: creditors whose claims are secured by security rights in rem on movable assets can only enforce their security right after the report of claims was filed by the bankruptcy receiver. Upon the request of the bankruptcy receiver, the suspension period may be extended by a court order for up to one year as from the bankruptcy judgment, provided that such extension is in the interests of the bankruptcy estate and if the further suspension will allow for a realization of the assets which does not prejudice the secured creditors and provided that those secured creditors have been given the opportunity to be heard by the court.

If a security, such as a pledge, has been granted over assets that, at the time of opening of an insolvency proceeding, are located in another EU Member State, the rights the creditor has under such security shall, in accordance with the EC Regulation, not be affected by the opening of such insolvency proceedings.

As from the date of the bankruptcy judgment, no further interest accrues against the bankrupt debtor on its unsecured debt, or debts secured by a general privilege, such as tax debts or social security debts.

The ranking of different types of debt of the bankrupt debtor is determined on the basis of a complex set of rules. The following is a general overview only of the main principles:

- Estate debt: Costs and indebtedness incurred by the receiver during the bankruptcy proceedings, the "estate debts," which have a senior priority. In addition, if the receiver has contributed to the realization and enforcement of secured assets, such costs will be paid to the receiver in priority out of the proceeds of the realized assets before distributing the remainder to the secured creditors;
- Security interests: Creditors that hold a security interest have a priority right over the secured asset (whether by means of appropriation of the asset or on the proceeds upon realization);
- Privileges: Creditors may have a particular privilege on certain or all assets (e.g., tax claims, claims for social security premiums, etc.). Privileges on specific assets rank before privileges on all assets of the debtor. Certain privileges prevail over the security interests;
- Unsecured creditors (*pari passu*): Once all estate debts and creditors having the benefit of security interests and privileges have been satisfied, the proceeds of the remaining assets will be distributed by the receiver among the unsecured creditors who rank pari passu (unless a creditor agreed to be subordinated);
- Subordinated creditors will receive the remainder (if any).

Trust

As there is no established concept of "trust" or "trustee" under the present Belgian legal system, the nature, effect and enforceability of the duties, rights and powers of a security agent as agent or trustee for Noteholders in respect of security interests such as pledges are debated and may not be effective or enforceable under Belgian law.

Beneficial Ownership

As there is no concept of "beneficial ownership" or "beneficial owner" under the present Belgian legal system, the rights, claims and effects resulting from such a concept may not be enforceable under Belgian law.

Hardening Periods and Fraudulent Transfer

In the event of bankruptcy proceedings governed by Belgian law, certain transactions that have been concluded or performed by the debtor during the "hardening period" may be declared ineffective against third parties

In principle, the cessation of payments (which constitutes a condition for filing for bankruptcy) is deemed to have occurred as of the date of the bankruptcy order. The court issuing the bankruptcy order may determine, based on serious and objective indications that the cessation of payments occurred on an earlier date. Such earlier date may not be earlier than six months before the date of the bankruptcy order, except in cases where the bankruptcy order relates to a company that was dissolved more than six months before the date of the bankruptcy order in circumstances suggesting an intent to defraud its creditors, in which case the date of cessation of payments may be determined as being the date of such decision to dissolve the company. The period from the date of cessation of payments up to the declaration of bankruptcy is referred to as the "hardening period" (*période suspecte*/*verdachte periode*).

The transactions entered into during the hardening period which may be declared ineffective against third parties and are unenforceable against the bankruptcy receiver include, among others: (i) transactions entered into without consideration or where the consideration received is considerably below the value of the act or asset provided by the debtor, (ii) payments for debts that are not yet due, (iii) payments other than in money for debts due and (iv) new security provided for pre-existing debt.

Other transactions entered into or performed during the hardening period may be declared ineffective against third parties, provided that the counterparty was aware of the debtor's cessation of payment.

In particular, a guarantee entered into during the hardening period may be declared ineffective against third parties if (i) it is regarded as having been granted gratuitously or where the consideration received is considerably below the value of the guarantee provided or (ii) the beneficiaries of the guarantee were aware of the company's cessation of payments.

If the Guarantee given by the Belgian Guarantor was successfully voided (based on the above), holders of the Notes would cease to have any claim in respect thereof and would be under an obligation to repay any amounts received pursuant to such Guarantee.

Finally, regardless of any declaration by the commercial court of a hardening period, transactions of which it can be demonstrated that they have been entered into with fraudulent prejudice to third creditors may be declared ineffective against third parties, irrespective of its date.

England and Wales

Hertz UK Receivables Ltd is a company incorporated under the laws of England and Wales (the "*English company*"). As a general rule, insolvency proceedings with respect to an English company should be commenced in England based on English insolvency laws; although insolvency proceedings in respect of English companies could also be based in other jurisdictions under certain circumstances (see "*—European Union*" above).

Formal insolvency proceedings under the laws of England and Wales may be initiated in a number of ways, including by (i) the company, its directors, or one or more of its creditors making an application for administration, (ii) the company, its directors, or certain creditors (discussed below) appointing administrators out of court, or (iii) a creditor filing a petition to wind-up the English company or the company resolving to wind itself up (in the case of liquidation). An English company may be wound up if it is unable to pay its debts, and may be placed into administration if it is, or is likely to become, unable to pay its debts, and the administration is reasonably likely to achieve one of three statutory purposes (as described below).

Under the Insolvency Act 1986 as amended (the "*Insolvency Act*"), a company is deemed to be unable to pay its debts if it is insolvent on a "cash flow" basis (*i.e.*, it is proved to the satisfaction of the court that it is unable to pay its debts as they fall due), if it is insolvent on a "balance sheet" basis (*i.e.*, it is provided to the satisfaction of the court that the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities), if it fails to satisfy a creditor's statutory demand for a debt exceeding £750 within the specified time or if it fails to satisfy in full a judgment debt (or similar court order).

Liquidation/Winding-up

Liquidation is an asset realization and distribution procedure under which the assets of the company are realized and distributed by the liquidator to creditors in the statutory order of priority prescribed by the Insolvency Act. At the end of the liquidation process the company will normally be dissolved. In the case of a liquidation commenced by way of an English court order, there is a stay on

the commencement or continuation of proceedings against the company except by leave of the court and subject to such terms as the court may impose.

Under English insolvency law, a liquidator has the power to disclaim any onerous property by serving the prescribed notice on the relevant party. Onerous property, for these purposes, is any unprofitable contract and any other property of the company which is unsaleable or not readily saleable or is such that it may give rise to a liability to pay money or perform any other onerous act. A contract may be unprofitable if it imposes continuing financial obligations on the company which may be regarded as detrimental to creditors. A contract will not be unprofitable merely because it is financially disadvantageous, or because the company could have made, or could make, a better bargain.

Challenges to Guarantees

There are circumstances under English insolvency law in which the granting by an English company of guarantees can be challenged. In most cases, this will only arise if the English company is placed into administration or liquidation within a specified period of the granting of the guarantee. Therefore, if during the specified period an administrator or liquidator is appointed to an English company, the administrator or liquidator may challenge the validity of guarantee given by such company. The Issuer cannot be certain that, in the event that the onset of an English company's insolvency is within any of the requisite time periods set out below, the grant of a guarantee in respect of the Notes would not be challenged or that a court would uphold the transaction as valid.

Onset of Insolvency

The date of the onset of insolvency, for the purposes of transactions at an undervalue and preferences (each discussed below), depends on the insolvency procedure in question.

In administration, the onset of insolvency is the date on which (i) the court application for an administration order is issued or (ii) the notice of intention to appoint an administrator is filed at court, or (iii) otherwise, the date on which the appointment of an administrator takes effect. In a compulsory liquidation the onset of insolvency is the date the winding-up petition is presented to court, whereas in a voluntary liquidation it is the date the company passes a winding-up resolution. Where liquidation follows administration, the onset of insolvency will be as for the initial administration.

Connected Persons

A "connected person" of a company granting a guarantee for the purposes of transactions at an undervalue and preferences is a party who is (i) a director of the company, (ii) a shadow director, (iii) an associate of such director or shadow director, or (iv) an associate of the relevant company.

A party is associated with an individual if they are (i) a relative of the individual, (ii) the individual's husband, wife or civil partner, (iii) a relative of the individual's husband, wife or civil partner, or (iv) the husband, wife or civil partner of a relative of the individual or the individual's husband, wife or civil partner.

A party is associated with a company if (i) they are employed by that company (ii) they are that company's employer.

A company is associated with another company if (i) the same person has control of both companies, or (ii) it is controlled by a person, that person's associates have control of the other company, or (iii) it is controlled by a group of two or more persons who also control the other company, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an associate.

The potential grounds for challenge available under the English insolvency legislation that may apply to any guarantee granted by an English company include, without limitation, the following.

Transaction at an Undervalue

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a guarantee if such liquidator or administrator believes that the creation of such guarantee constituted a transaction at an undervalue. It will only be a transaction at an undervalue if at the time of the transaction or in consequence of the transaction, the English company is unable to pay its debts or becomes unable to pay its debts (as defined in Section 123 of the Insolvency Act). The transaction can be challenged if the English company enters into liquidation or administration proceedings within a period of two years from the date the English company grants the guarantee. A transaction might be subject to being set aside as a transaction at an undervalue if the company made a gift to a person, if the company received no consideration or if the company received consideration of significantly less value, in money or money's worth, than the consideration given by such company. However, a court will generally not intervene if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit it. If the court determines that the transaction was a transaction at an undervalue, the court can make such order as it thinks fit to restore the company to the position it would have been in had it not entered into the transaction. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was unable to pay its debts unless a beneficiary of the transaction was a connected person (as set out above), in which case there is a presumption of insolvency and the connected person must demonstrate the solvency of the English company in such proceedings.

Preference

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a guarantee if such liquidator or administrator believed that the creation of such guarantee constituted a preference. It will only be a preference if at the time of the transaction or in consequence of the transaction the English company is unable to pay its debts or becomes unable to pay its debts (as defined in Section 123 of the Insolvency Act). The transaction can be challenged if the English company enters into liquidation or administration proceedings within a period of six months (if the beneficiary of the guarantee is not a connected person) or two years (if the beneficiary is a connected person) from the date the English company takes the decision to grant the guarantee. A transaction may constitute a preference if it has the effect of putting a creditor of the English company (or a surety or guarantor for any of the company's debts or liabilities) in a better position (in the event of the company going into insolvent liquidation) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into. If the court determines that the transaction was a preference, the court can make such order as it thinks fit to restore the company to the position it would have been in had it not entered into the transaction. However, for the court to determine a preference, it must be shown that the English company was influenced by a desire to produce the preferential result. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was unable to pay its debts and that there was such desire to prefer the relevant creditor, unless the beneficiary of the transaction was a connected person, in which case the connected person must demonstrate in such proceedings that there was no such desire, on the part of the company, to prefer them.

Transaction Defrauding Creditors

Under English insolvency law, where it can be shown that a transaction was at an undervalue and was made for the purpose of putting assets beyond the reach of a person who is making, or may make,

a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. This provision may be used by any person who claims to be a "victim" of the transaction and is not therefore limited to liquidators or administrators and, subject to certain conditions, the UK Financial Conduct Authority and the UK Pensions Regulator. There is no statutory time limit in the English insolvency legislation within which the challenge must be made and the relevant company does not need to be insolvent at the time of or as a result of the transaction. If the court determines that the transaction was a transaction defrauding creditors, the court can make such orders as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction. The relevant court order may affect the property of, or impose any obligation on, any person, whether or not he is the person with whom the transaction was entered into. However, such an order will not prejudice any interest in property which was acquired from a person other than the debtor company in good faith, for value and without notice of the relevant circumstances, and will not require a person who received a benefit from such transaction to pay any sum unless such person was a party to the transaction.

Extortionate Credit Transaction

An administrator or a liquidator can apply to court to set aside an extortionate credit transaction. The court can review extortionate credit transactions entered into by an English company up to three years before the day on which the English company entered into administration or went into liquidation. A transaction is "extortionate" if, having regard to the risk accepted by the person providing the credit, the terms of it are (or were) such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of the credit or it otherwise grossly contravened ordinary principles of fair dealing.

Limitation on Enforcement

The grant of a guarantee by the English Company in respect of the obligations of another group company must satisfy certain legal requirements. More specifically, such a transaction must be allowed by the English Company's memorandum and articles of association. To the extent that the above do not allow such an action, there is the risk that the grant of the guarantee can be found to be void and the respective creditor's rights unenforceable. Some comfort may be obtained for third parties if they are dealing with an English company in good faith; however, the relevant legislation is not without difficulties in its interpretation. Further, corporate benefit must be established for each English company in question by virtue of entering into the proposed transaction. Section 172 of the Companies Act 2006 provides that a director must act in the way that he considers, in good faith, would be most likely to promote the success of the English company for the benefit of its members as a whole. If the directors enter into a transaction where there is no or insufficient commercial benefit, they may be found as abusing their powers as directors and such a transaction may be vulnerable to being set aside by a court.

Priority of Claims

One of the primary functions of administration and liquidation under English law is to realize the assets of the insolvent company and to distribute realizations made from those assets to its creditors. Under the Insolvency Act and the Insolvency Rules 2016, creditors are placed into different classes, with the proceeds from the realization of the insolvent company's property applied in descending order of priority, as set out below. With the exception of the "Prescribed Part" (see "*—Prescribed Part*" below), distributions cannot be made to a class of creditors until the claims of the creditors in a prior ranking class have been paid in full. Unless creditors have agreed otherwise, distributions are made on

a *pari passu* basis, that is, the assets are distributed in proportion to the debts due to each creditor within a class.

The general priority of claims on insolvency is as follows (in descending order of priority):

First ranking claims: holders of fixed charge security and creditors with a proprietary interest in assets of the debtor;

Second ranking claims: expenses of the insolvent estate (there are statutory provisions setting out the order of priority in which expenses are paid);

Third ranking claims: preferential creditors. Preferential debts include (but are not limited to) debts owed by the insolvent company in relation to: (i) contributions to occupational and state pension schemes; (ii) wages and salaries of employees for work done in the four months before the insolvency date, up to a maximum of £800 per person; and (iii) holiday pay due to any employee whose contract has been terminated, whether the termination takes place before or after the insolvency date. As between one another, preferential debts rank equally;

Fourth ranking claims: holders of floating charge security, according to the priority of their security. However, before distributing asset realizations to the holders of floating charges, the Prescribed Part (as defined below) must be set aside for distribution to unsecured creditors (see "*—Prescribed Part*" below);

Fifth ranking claims: unsecured creditors. However, any secured creditor not repaid in full from the realization of assets subject to its security can also claim the remaining debt due to it (a shortfall) from the insolvent estate as an unsecured claim. To pay a shortfall, the officeholder can only use realization from unsecured assets, as secured creditors are not entitled to any distribution from the Prescribed Part in respect of a shortfall; and

Sixth ranking claims: shareholders. If after the repayment of all unsecured creditors in full, any remaining funds exist, these will be distributed to the shareholders of the insolvent company.

Prescribed Part

An administrator, receiver (including administrative receiver) or liquidator of the company will be required to ring-fence a certain percentage of the proceeds of enforcement of floating charge security for the benefit of unsecured creditors (the "*Prescribed Part*"). Under current law, this applies to 50% of the first £10,000 of floating charge realizations and 20% of the remainder over £10,000, and the Prescribed Part is subject to a maximum aggregate cap of £600,000. The Prescribed Part must be made available to unsecured creditors unless the cost of doing so would be disproportionate to the resulting benefit to creditors. As noted above, the Prescribed Part will not be available for any shortfall claims of secured creditors.

Foreign Currency

Under English insolvency law, where creditors are asked to submit formal proofs of claims for their debts, any debt of a company payable in a currency other than pound sterling must be converted into pound sterling at a single rate for each currency determined by the officeholder by reference to the exchange rate prevailing at the date when the company went into liquidation or administration (if the administration was immediately preceded by a winding up, on the date the company went into liquidation). A creditor who considers that the rate determined by the officeholder is unreasonable may apply to the court. This provision overrides any agreement between the parties.

Schemes of Arrangement

A scheme of arrangement is a statutory procedure, pursuant to Part 26 of the Companies Act 2006, which permits a company to enter into an arrangement or compromise with its members or creditors (or any class of them). A scheme of arrangement, if approved by the requisite majority of such members or creditors and sanctioned by the court, will be binding on all of them, whether or not such members or creditors voted in favor of the scheme. The scheme must be approved by a majority in number representing 75% in value of the creditors (or class of creditors) present and voting at the relevant creditors' meeting, either in person or by proxy.

France

To the extent that the center of the main interests ("COMI" "*centre des intérêts principaux*") within the meaning of EC Regulation or, if not applicable, the main center of the interests within the meaning of Article R.600-1 of the French Commercial Code ("*centre principal des intérêts*") of any of the Guarantors is deemed to be in France, they could be subject to French court-assisted proceedings affecting creditors, i.e. *mandat ad hoc* or *conciliation* proceedings (which do not fall within the scope of the EC Regulation) or court-controlled insolvency proceedings (safeguard proceedings (*procédure de sauvegarde*), accelerated safeguard proceedings (*procédure de sauvegarde accélérée*), accelerated financial safeguard proceedings (*procédure de sauvegarde financière accélérée*), judicial reorganization proceedings (*redressement judiciaire*) and judicial liquidation proceedings (*liquidation judiciaire*)).

In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit your ability to enforce your rights under the Notes, and/or the Guarantees granted by the Guarantors, in the context of French court-assisted and court-controlled proceedings.

The following is a general discussion of court-assisted or court-controlled proceedings governed by French law for informational purposes only and does not address all the French legal considerations that may be relevant to the Noteholders.

Specialized courts exist for (i) insolvency proceedings (and for conciliation as the case may be) with respect to debtors that meet or exceed the following thresholds (on a stand-alone basis or together with companies under their control): (y) €20 million in turnover and 250 employees or (z) €40 million in turnover; (ii) (x) main insolvency proceedings commenced with respect to a debtor which has an establishment located in another Member State within the meaning of the EC Regulation, (y) secondary or territorial insolvency proceedings within the meaning of the EC Regulation and (z) specific matters in the case where secondary insolvency proceedings would not have been commenced but main insolvency proceedings have been commenced in another Member State; or (iii) insolvency proceedings, in cases where the EC Regulation does not apply, with respect to debtors having their main centre of interests ("*centre principal des intérêts*") therein.

In addition, the French court that commences insolvency proceedings with respect to the member of a corporate group has jurisdiction over all the other members of the group (subject to specific detention/control thresholds and French courts having international jurisdiction with respect to such entities, in accordance with the rules outlined above); accordingly, a court can supervise the insolvency proceedings of the whole group and may, for this purpose, appoint the same administrator and creditors' representative (*mandataire judiciaire*) for all proceedings in respect of members of the group.

A reform of the French Civil Code was made with effect as from October 1, 2016. Absent any practical application yet, the potential impacts of certain provisions of such reform (such as the doctrine of hardship (*imprévision*)) on the rights of the parties to French-law contracts (including French law security documents), entered into as from such date are being discussed among certain academics notably within the context of insolvency proceedings.

Annex A of the EC Regulation lists safeguard, accelerated safeguard, accelerated financial safeguard, judicial reorganization and judicial liquidation proceedings as insolvency proceedings within the meaning of the EC Regulation.

Grace Periods

In addition to and independently from the specific provisions of insolvency laws discussed below, the Noteholders as our creditors could also be subject to article 1343-5 *et seq.* of the French Civil Code (*Code civil*).

Pursuant to the provisions of this article, French courts may, in any civil or commercial proceeding involving the debtor, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations and decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the prevailing legal rate as published twice a year by administrative decree of the Ministry of Economy) or that payments made shall first be allocated to repayment of principal. A court order made under article 1343-5 of the French Civil Code (*Code civil*) will suspend any pending enforcement measures, and any contractual interest or penalty for late payment will not accrue or be due during the period ordered by the relevant court. A creditor cannot contract out of such grace period.

When the debtor benefits from the opening of a conciliation proceeding, these provisions shall be read in combination with Article L. 611-7 of the French Commercial Code (see below).

Additionally, pursuant to Article L. 611-10-1 of the French *Code de Commerce*, the judge having commenced conciliation proceedings may, during the execution period of a conciliation agreement, impose grace periods on creditors having participated in the conciliation proceedings (other than the tax and social security administrations) for their claims that were not dealt with in the conciliation agreement.

Cash Flow Insolvency Test

Under French law, a company is deemed in a state of *cessation des paiements* when it is not able to pay its debts which are due with its available assets taking into account credit lines available to it, and debt rescheduling agreements and moratoria which its creditors have granted to it.

The date of insolvency (*cessation des paiements*) is generally deemed to be the date of the court order commencing judicial reorganization or liquidation proceedings, unless the court sets an earlier date, which may be up to 18 months before the date of the court order. Except for fraud, the date of insolvency may not be fixed at an earlier date than the date of the final court decision that approved an agreement (*homologation*) in the context of *conciliation* proceedings. The date of insolvency marks the beginning of the hardening period (see below).

Warning Procedure (procédure d'alerte)

In order to anticipate a debtor's difficulties to the extent possible, French law provides for warning procedures. Indeed, when there are elements which they believe put the company's existence as a going concern in jeopardy, the statutory auditors of a company must request the management to provide an explanation. Failing satisfactory explanations or appropriate corrective measures, the auditors must request that a board of directors (or the equivalent body) be convened and may request to be heard by the President of the relevant Commercial Court.

At a later stage, and failing satisfactory explanations or appropriate corrective measures, a shareholders' meeting shall be convened and the auditors present a special report on this occasion.

Further to the shareholders' meeting, if the auditor considers that the decisions made do not ensure the company's existence as a going concern, the auditor must inform the President of the relevant Commercial Court of the warning procedure and may request to be heard by the President of the relevant Commercial court. As regards companies not incorporated as *société anonyme*, similar warning procedures exist even if the practical details slightly differ.

Shareholders representing at least 5% of the share capital and the workers' committee (or, in their absence, the employees' representatives) have similar rights.

The President of the Commercial Court can also himself summon the management to provide explanations on elements which the President of the court believes put the company's existence as a going concern in jeopardy (or when the company has not filed its financial statements within the statutory timeframe, despite his/her injunction).

Pursuant to the provisions of article L. 611-2-1 of the French Commercial Code (*Code de Commerce*), the competent Civil Court (*Tribunal de Grande Instance*) will also be able to exercise the emergency procedure for debtors subject to its jurisdiction.

Court-Assisted Proceedings

Court-assisted proceedings may only be initiated by the debtor company itself, in its sole discretion provided that it experiences or anticipates legal, economic or financial difficulties:

(i) while not being in a state of *cessation des paiements* in case of mandat ad hoc or conciliation proceedings, or

(ii) while being in a state of *cessation des paiements* for less than 45 days in case of conciliation proceedings only.

Mandat ad hoc and conciliation proceedings are informal and confidential (subject to the details below as regards conciliation proceedings) proceedings carried out under the supervision of the president of the court. The President of the competent court will appoint a trustee (as the case may be, a *mandataire ad hoc* or a *conciliateur*) in order to help the debtor company reach an agreement with its main creditors and stakeholders, in particular by reducing or rescheduling its indebtedness. The debtor may propose, in the filing for the commencement of the proceedings, the appointment of a particular person as trustee. Such proceedings are non-binding since the court-appointed trustee has no power to force the parties to accept an agreement and the dissenting creditors will not be bound by the arrangement, if any. Creditors are not barred from taking legal action against the company to recover their claims, but, in practice, they generally abstain from doing so for a certain time, to try to negotiate a consensual restructuring.

Mandat ad hoc and conciliation proceedings may also be used at the request of the debtor and after the opinion of the participating creditors has been sought to prepare the sale of all or part of the business of the debtor with a view to implement such sale (*plan de cession*) in a subsequent insolvency proceeding. Provided that they comply with certain requirements, any offers received in this context by the *mandataire ad hoc* or the *conciliateur* may be directly considered by the court in the context of safeguard, reorganization or liquidation proceedings after consultation of the State Prosecutor.

Contractual provisions modifying the terms of an outstanding contract, by diminishing the rights or increasing the obligations of the debtor solely by reason of the appointment of a *mandataire* ad *hoc* or the opening of conciliation proceedings, or of any request made to this end are deemed null and void.

Equally, contractual provisions that would, as the sole result of the opening of *a mandat ad hoc* proceedings or the opening of conciliation proceedings, make the debtor bear the fees of the creditor's counsel relating to such proceedings for the portion that would exceed three quarters of the total fee of the relevant counsel are null and void.

Mandat Ad Hoc Proceedings

French law does not provide for any detailed rules in respect of *mandat ad hoc* proceedings. In practice, *mandat ad hoc* proceedings are used by debtors that are facing difficulties of an economic or financial nature but are not insolvent (en *état de cessation de paiements*). Such proceedings are confidential (save for their disclosure to statutory auditors if any) and are not limited in time. The agreement reached by the parties (if any) with the help of the court-appointed officer (*mandataire ad hoc*, whose name can be suggested by the debtor) can be reported by the latter to the President of the court but is not sanctioned by the court. This restructuring agreement between the company and its main creditors will be negotiated on a purely consensual and voluntary basis; those creditors not willing to take part cannot be bound by the arrangement. The *mandataire ad hoc* is appointed in order to facilitate negotiations with creditors but cannot coerce the latter into accepting any proposal.

In any event, the debtor retains the right to petition the relevant judge for a grace period as set forth in Article 1343-5 *et seq.* of the French Civil Code.

Conciliation Proceedings

Conciliation proceedings are available to French debtors that face current or foreseeable difficulties of a legal, economic or financial nature but which have not been cash-flow insolvent for more than 45 days. The debtor petitions the President of the relevant court for the appointment of a "conciliator" (whose name the debtor can suggest) in charge of assisting the debtor in negotiating with all or part of its creditors and/or trade partners an agreement, that puts an end to its difficulties, providing *e.g.* for the restructuring of its indebtedness. *Conciliation* proceedings are confidential (subject to the below) and may last up to four months (with the conciliator being able to request an extension up to 5 months). During the proceedings, (i) no general stay is imposed on creditors which may continue to sue individually for payment of their claims but in practice creditors accept not to do so for a certain time, to try to negotiate a consensual restructuring and (ii) creditors may not request the opening of insolvency proceedings (*redressement judiciaire or liquidation judiciaire*) against the debtor.

In addition, if a creditor seeks payment, then pursuant to article L. 611-7 of the French Commercial Code, the judge having opened the *Conciliation* proceedings has jurisdiction to grant a grace period to the debtor, in accordance with article 1343-5 *et seq.* of the French Civil Code (*Code civil*), provided that the debtor has received a formal notice requesting payment or faces enforcement measures, in which case the decision would be taken after having heard the conciliator and the judge may condition the duration of the measures it orders to reaching an agreement in the conciliation proceedings. The judge having opened conciliation proceedings may grant a grace period even when the formal notice asking the debtor to pay was sent before conciliation proceedings commenced (and not only during conciliation proceedings). Pursuant to article L.611-10-1 of the French Commerical Code, this judge also has jurisdiction to grant such a grace period during the implementation of the conciliation agreement (*i.e.*, after the end of the conciliation proceedings), in relation to claims of creditors who were asked to participate in the conciliation proceedings (other than public creditors) for their claims that were not dealt with in the conciliation agreement (provided that this agreement has been either recognized or sanctioned by a court decision, as described below), such decision being taken after hearing the conciliator if he/she has been appointed to monitor the implementation of the agreement.

The agreement may be either recognized (*constaté*) by the president of the court at all parties' request or, at the request of the debtor (and provided that certain conditions are satisfied, *i.e.*, that (i) the debtor is not in *cessation des paiements* or the conciliation agreement puts an end to such *cessation des paiements*, (ii) the agreement does not infringe upon the rights of the non-signatory creditors and (iii) it effectively ensures that the company will survive as a going concern), sanctioned (*homologué*) by the court. In both cases, (i) any individual proceedings by creditors with respect to the

claims included in this agreement are suspended, (ii) the agreement is immediately enforceable and binding upon the parties thereto, and (iii) accrued interest of the claims governed by the restructuring agreement cannot bear themselves interest (notwithstanding Article 1343-2 of the French Civil Code) (*Code civil*)). Joint debtors, personal guarantors, or any third party that granted a security interest can benefit from the grace periods granted in accordance with article L. 611-7 of the French Commercial Code to the debtor during conciliation proceedings as well as from the provisions of the recognized or sanctioned agreement.

In addition to the consequences detailed above which apply to the recognition (*constatation*) of the agreement as well, the sanction (*homologation*) of the agreement by the court has the following specific consequences:

- the judgment will make the conciliation proceedings public (however, disclosure only of the existence of the conciliation proceedings and not of the content of the agreement except the guarantees, security interests and liens as well as the amount of claims benefitting from the so-called "New Money Lien" detailed below, as provided for in the agreement);
- creditors who, as part of the sanctioned agreement or during the course of the conciliation proceedings, provide new money or goods or services designed to ensure the continuation of the business of the distressed company (other than shareholders providing new equity) will benefit from a specific protection (the so-called "*New Money Lien*") and as such enjoy priority of payment over all pre-petition and post-petition claims (other than certain pre-petition employment claims and post-petition procedural costs), in the event of subsequent insolvency proceedings;
- in the event of subsequent safeguard, accelerated safeguard, accelerated financial safeguard, or judicial reorganization, the payment date of claims benefiting from the New Money Lien may not be rescheduled and such claims shall not be written off by the court without their holders' consent, not even in the framework of the creditors' committees or of the bondholders' general meeting (although a doubt may arise as to the application of such provision within the bondholders' general meeting);
- the works council or employee representatives are informed of the content of the conciliation agreement and may have access to the full conciliation agreement at the clerk's office (*greffe*) of the court. The publicly available court decision approving such agreement should however only disclose the amount of any "New Money Lien" and the guarantees and security interests granted to secure the same;
- when the debtor is submitted to statutory auditing, the conciliation agreement is communicated to its statutory auditors; and
- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of the *cessation des paiements* (and therefore the starting date of the "hardening period" as defined below) cannot be determined by the court to be at a date earlier than the date on which the sanction of the agreement by the court has become final, except in case of fraud.

In case of breach of the agreement, whether sanctioned or recognized, any party thereto can petition the court for its rescission. If such rescission is granted, grace periods granted in relation to the conciliation proceedings may be revoked. Conversely, provided the conciliation agreement is duly performed, any individual proceedings by creditors with respect to obtaining payment of the claims dealt with by the conciliation agreement are suspended and/or prohibited. The commencement of subsequent insolvency proceedings will automatically put an end to the conciliation agreement, in which case the creditors will recover their claims and security interests, to the exception of those amounts already paid to them.

Conciliation proceedings, in the context of which a draft debt restructuring plan has been negotiated and is supported by a large majority of creditors without reaching unanimity, will be a mandatory preliminary step of the accelerated safeguard or accelerated financial safeguard proceedings as described below.

Where the maximum time period allotted to court-assisted proceedings expires without an agreement being reached, the proceedings will end. The termination of such proceedings does not, in and of itself entail any specific legal consequences for the debtor, in particular it does not result in the automatic commencement of insolvency proceedings. New conciliation proceedings cannot be commenced before 3 months have elapsed as from the end of the previous ones.

Court-Administered Proceedings—Safeguard, Accelerated Safeguard, Accelerated Financial Safeguard, Judicial Reorganization and Judicial Liquidation Proceedings

The following French insolvency proceedings may be initiated by or against a company in France:

(a) safeguard (*procédure de sauvegarde*), accelerated safeguard (*procédure de sauvegarde* accélérée) or accelerated financial safeguard (*procédure de sauvegarde financière accélérée*) proceedings, upon petition by the debtor only if, while not being in a state of *cessation des paiements* (or for accelerated safeguard and accelerated financial safeguard proceedings, if in *cessation des paiements* for less than 45 days when it initially requested the opening of conciliation proceedings), it is facing difficulties which it cannot overcome. Absent any difficulties it cannot overcome, the court will invite the debtor to file for conciliation proceedings. It will then rule on the safeguard petition only.

As soon as safeguard proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

The conditions of opening of accelerated safeguard (*procédure de sauvegarde accélérée*) or accelerated financial safeguard (*procédure de sauvegarde financière* accélérée) proceedings are described below.

(b) judicial reorganization (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings upon petition by the debtor, any creditor or the Public Prosecutor if such company is in *cessation des paiements*. Judicial reorganization proceedings are available to companies whose recovery prospects are possible while judicial liquidation proceedings are available to companies whose recovery is manifestly impossible.

Where the debtor requested the commencement of judicial reorganization proceedings and the court, after having heard the debtor, considers that judicial liquidation proceedings would be more appropriate, it may order the commencement of the proceedings which it determines to be most appropriate. The same would apply if the debtor requested the commencement of judicial liquidation proceedings and the court considered that judicial reorganization proceedings would be more appropriate.

As soon as safeguard, judicial reorganization or liquidation proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

While a company may file for safeguard proceedings at any time it is facing insurmountable difficulties, it is required to petition for the opening of judicial reorganization or judicial liquidation proceedings within 45 days of becoming in a state of *cessation des paiements*. Alternatively, it may request the opening of *conciliation* proceedings within the same timeframe. If it does not, directors and, as the case may be, *de facto* managers of the company, may be subject to civil liability.

The Observation Period and Its Outcome

The period from the date of the court decision commencing the insolvency proceedings until the court makes a decision on the outcome of the proceedings is called the observation period (*période d'observation*) and may last up to 18 months under a safeguard or a judicial reorganization proceeding. There is no observation period in the case of judicial liquidation proceedings being opened against the debtor. During the observation period, (a) court-appointed administrator(s), whose name can be suggested by the debtor (but also by the Public Prosecutor), investigates the business of the company.

In safeguard proceedings, the administrator's mission is limited to either supervising the debtor's management or assisting it, and in any case helping it prepare a safeguard plan for the company. In judicial reorganization proceedings, the administrator's mission is usually to assist the management and to make proposals for the reorganization of the company, which proposals may include a reorganization plan (equivalent to a safeguard plan) and/or the sale of all or part of the company's business to a third party. In judicial reorganization proceedings, the court may also decide that the court-appointed administrator will manage the company alone by replacing the debtor's management.

At the end of the observation period, if it concludes that the company can survive as a going concern, the court will adopt a safeguard or a reorganization plan, which will essentially provide for a restructuring and/or rescheduling of debts and which may entail the partial divesture of the business to a third party (a sale of the entire business is not possible in a safeguard plan). Unlike in safeguard proceedings, at the end of the observation period of judicial reorganization proceedings, and alternatively to a reorganization plan, the court may determine that all or part of the business should be sold to purchasers who have submitted bids. In such a case, the court orders such a (partial or entire) sale in the framework of a so-called "sale of the business plan" (*plan de cession*), which consists of transferring assets, contracts and employees cherry-picked by the purchaser thereto (see section "*Judicial Reorganization or Liquidation Proceedings*" for further details), for a lump sum, in accordance with the bid submitted by the purchaser during the observation period.

Judicial liquidation proceedings entail the relief of the management of the debtor and there is no observation period in such proceedings (see "*Judicial Reorganization or Liquidation Proceedings*" for further details).

The court may convert such safeguard proceedings (i) into judicial reorganization proceedings after commencement of the proceedings, at the request of the debtor, the judicial administrator, the creditors' representative or the State Prosecutor, if it appears that the debtor was insolvent (*en état de cessation des paiements*) before commencement of the proceedings or (ii) into judicial reorganization or liquidation proceedings at any time during the observation period upon its own initiative or upon request of the debtor, the judicial administrator, the creditors' representative or the State Prosecutor in the case where the debtor is insolvent (and its recovery is manifestly impossible where relevant); or (iii) into judicial reorganization proceedings upon request of the debtor, the judicial administrator, the creditors' representative or the State Prosecutor in case no plan has been adopted by the relevant creditors' committee and, if any, bondholders' general meeting (as described below), if the approval of a safeguard plan is manifestly impossible and if the company would shortly become insolvent should safeguard proceedings end.

If the court adopts a safeguard plan, a reorganization plan or a sale of the business plan, it can set a time period during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent.

The sales that have been pre-packed in *mandat ad hoc* or conciliation proceedings and that are deemed satisfactory will be implemented in insolvency proceedings through an expeditious and derogatory process. Such sale could only relate to part (but not all) of the business of the debtor in safeguard proceedings.

Creditors' Committees and Adoption of the Safeguard or Reorganization Plan

During the observation period, in the case of large companies (*i.e.*, if the debtor (a) has more than 150 employees or a turnover greater than €20,000,000 and (b) its accounts are certified by a statutory auditor or drawn up by a certified public accountant), or where authorized by the supervising judge for smaller companies, two creditors' committees must be established : one for credit institutions having a claim against the debtor or entities having granted credit or advances in favor of the debtor (or the assignees of such claim or of a claim acquired from a supplier), and the other for suppliers of goods and services having a claim that represents more than 3% of the total amount of the claims of all the debtor's suppliers (the smaller suppliers, if invited by the court-appointed administrator, may elect to be members of such committee). To be eligible to vote, suppliers must have their claims set forth in the list provided by the debtor to the court-appointed administrator as certified by the debtor's statutory auditors (or, in their absence, its accountant).

If there are any outstanding debt securities in the form of "obligations" (such as bonds or notes), a general meeting gathering all holders of such debt securities will be established whether or not there are different issuances and no matter what the governing law of those "obligations" is (the "*bondholders general meeting*"). The Notes constitute "obligations" for purposes of a safeguard or judicial reorganization proceeding and the Noteholders would therefore vote within the bondholders' general meeting.

As a general matter, only the legal owner of the debt claim will be invited onto the committee or the general meeting. Accordingly, a person holding only an economic interest therein will not itself be a member of the committee. There are debates as to whether the holders of the Notes would directly vote within the bondholders' general meeting.

These creditors' committees and the bondholders' general meeting will be consulted on the draft safeguard or reorganization plan(s) elaborated during the observation period. Such draft plan(s) may be prepared not only by the debtor's management together with the judicial administrator(s), but also by any creditor belonging to a creditors' committee (credit institutions' committee or suppliers' committee). For the avoidance of doubt, the bondholders are not entitled to propose such a draft plan. Draft plans submitted to the committees and the bondholders' general meeting:

- must take into account subordination agreements entered into by the creditors before the opening of the proceedings;
- may treat creditors differently if it is justified by their differences in situation; and
- may notably include a rescheduling or cancellation of debts (subject to the specific regime benefitting from the "New Money Lien") and debt-for-equity swaps (debt-for-equity swaps requiring the relevant shareholder consent).

If the plan provides for a share capital increase, the shareholders may subscribe to such share capital increase by way of a set-off against their claims against the debtor (as reduced according to the provisions of the plan, where applicable).

In the first instance, one of the plans must be approved by each of the two creditors' committees. Each committee must announce whether its members approve or reject such plan within 20 to 30 days of its proposal by the company (such time can be reduced or extended by the supervising judge, at the request of the debtor or the judicial administrator, it being noted that it cannot last less than 15 days). If there is no proposal by the debtor, the judicial administrator determines the date on which the committees will vote.

Such approval requires the affirmative vote of the members of each committee holding at least two-thirds of the amount of the claims held by the members of such committee that expressed a vote. Each member of a committee must inform the court-appointed administrator of any agreement

subjecting its vote to certain conditions or providing for the total or partial payment of its claim by a third-party or any subordination agreement. The court-appointed administrator can then modulate the voting rights of such a creditor, and submit to such creditor the conditions of calculation of its voting rights. In case of disagreement on this calculation, the creditor or the court-appointed administrator may seize the president of the court in summary proceedings. The amounts of claims secured by a trust (*fiducie*) granted by the debtor do not give rise to voting rights.

Following the approval of the plan by the two creditors' committees, the plan will be submitted for approval to the bondholders' general meeting. The approval of the plan at such meeting requires the affirmative vote of bondholders representing at least two-thirds of the amount of the obligations held by bondholders who expressed a vote in the bondholders' general meeting. The same rules as set forth in the paragraph above apply to the bondholders' general meeting.

If the draft plan provides for a share capital modification or an amendment to the articles of association, the shareholders' and, as the case may be, the holders of securities given access to the share capital of the debtor, general meeting must approve this modification. The court may decide that the shareholders' general meeting shall vote on first convening at a simple majority (of the votes of the shareholders attending, or represented at, the meeting, provided that said shareholders hold at least half of the shares with voting rights). On second convening, the general statutory provisions relating to the quorum and majority requirements shall apply. In case of judicial reorganization only, if equity capital of the debtor is lower than half of the share capital and has not been restored, the court-appointed administrator can request the court to appoint a judicial officer (*mandataire de justice)* to (i) convene the shareholders meeting and (ii) vote the share capital restoration in place of the opposing shareholders should the plan provide for a share capital modification to the benefit of one or several persons which made commitments to execute the plan.

In addition, Article L.631-19-2 of the French Commercial Code is applicable to judicial reorganization proceedings in the cases where (i) a debtor (a) employs at least 150 employees or (b) is a dominant company (within the meaning of article L.2331-1 of the French Labour Code) of one or more companies with at least 150 employees in aggregate, (ii) the disappearance of such debtor is likely to cause serious disturbance to the national or local economy and to local employment, (iii) a share capital modification appears—after review of total or partial transfer plan solutions—to be the only credible solution to avoid such a disturbance and to allow the debtor's business activities to continue, and (iv) at least three months have elapsed as from the court decision commencing the proceedings. In summary, if, in such event, a reorganization plan provides for a modification of the share capital in favor of one or more person(s) who undertake to implement the plan and the existing shareholders refuse to vote such share capital modification, the court may, under certain procedural and substantial conditions (*e.g.*, the payment to the evicted shareholders of an amount corresponding to the value of their shares, as determined by a court appointed expert if no agreement as to such value is reached among the parties) and upon request of the court-appointed administrator or the Public Prosecutor, either (a) appoint a trustee (*mandataire*) to vote in favor of a share capital increase in lieu of the dissenting shareholders up to the amount provided for in the plan or (b) order, in favor of the person(s) who have undertaken to implement the plan, the transfer of all or part of the shares owned by the dissenting shareholders who own (directly or indirectly) a majority of voting rights (including pursuant to any arrangement to that effect with any other shareholder that is not contradictory to the debtor's interest) or hold a blocking minority in the company (any approval clause is deemed null and void), the other shareholders having the right to withdraw from the company and request that their shares be purchased simultaneously by the transferees. In either of the aforementioned cases, the reorganization plan shall be subject to the undertaking of the new shareholders to hold their shares for a certain time period set by the court which may not exceed the duration of the reorganization plan.

Creditors for whom the plan does not provide any modification of their repayment schedule or provides for a payment of their claims in cash in full as soon as the plan is adopted or as soon as their

claims are admitted do not take part in the vote. For those creditors outside such committees or where no such committees have been convened, the creditors' representative may elect not to consult them.

Following approval by the requisite creditors' committees and the bondholders' general meeting and determination of the rescheduling of the claims of creditors that are not members of the committees or bondholders in accordance with the consultation process referred to below, the plan has to be approved (*arrêté*) by the relevant court. In considering such approval, the court has to verify that the interests of all creditors are sufficiently protected. Once approved by the relevant court, the safeguard or reorganization plan accepted by the committees and the bondholders' general meeting will be binding on all the members of the committees and all bondholders (including those who did not vote or voted against the adoption of the plan). The plan also specifies how creditors that do not belong to the committees/bondholders' general meeting are going to be treated (it being noted that if they do not consent to the proposals that they received, they can only be imposed uniform debt rescheduling as detailed below).

Creditors who are not members of the committees/bondholders' general meeting are consulted individually or collectively on the draft plan. The same rule applies to all creditors if no such committees nor general meeting of bondholders are convened. Likewise, in the event the creditors' committees are dissolved because any of the committees or the bondholders' general meeting has refused to give its consent to the draft plan (or has not rendered its decision within 6 months of the opening judgment, it being noted that this 6 months period may be extended by the court at the request of the judicial administrator to the extent it does not exceed the duration of the observation period), the court can still adopt a safeguard/reorganization plan in the time remaining until the end of the observation period, in which case creditors are consulted individually or collectively. In the framework of an individual consultation, creditors will be asked whether they accept rescheduling, cancellation of debt and/or debt-for-equity swaps provided for in the draft plan. Where the consultation is in writing, the creditor is deemed to have accepted the debt rescheduling proposal if he fails to respond within thirty days upon receipt of the creditors' representative letter. However, in respect to debt-to-equity swap proposals, the creditors' representative must obtain the agreement of each individual creditor in writing within this 30-day timeframe. The court is entitled to adopt the plan regardless of whether or not a majority of creditors accepted the individual proposals that they received. In those circumstances, the court has the right to accept or reduce debt deferrals or write-offs with respect to the claims of creditors who have consented to such measures but it may only impose uniform debt deferrals (with interest continuing to accrue for debts with an initial maturity of more than one year) for up to 10 years on the claims of the non-consenting creditors, except (i) for claims with maturity dates falling after the end of the plan, in which case such maturity date shall remain the same, and (ii) for claims benefiting from the New Money Lien. The court cannot impose debt write-offs or debt-to-equity swaps.

In such a court-imposed plan, the first payment must be made within a year of the judgment adopting the plan. As from the third year on, the amount of each annual installment must amount to at least 5% of the total amount of the debt (subject to specific rules regarding loans whose maturity date falls after the first installment of the restructuring plan or after the end of the restructuring plan).

Specific Case—Creditors That Are Public Institutions

Public creditors (financial administrations, social security and unemployment insurance organizations) may agree to grant debt remissions under conditions that are similar to those that would be granted under normal market conditions by a private economic operator placed in a similar position. Public creditors may also decide to enter into subordination agreements for liens or mortgages, or relinquish these security interests. Public creditors examine possible remissions within the framework of a local administrative committee (*Commission des Chefs de Services Financiers*). The tax administrations

may grant relief from all direct taxes. As regards indirect taxes, relief may only be granted from default interest, adjustments, penalties or fines.

Accelerated Safeguard Proceedings and Accelerated Financial Safeguard Proceedings

A debtor in the course of conciliation proceedings may request commencement of accelerated safeguard or accelerated financial safeguard proceedings (subject to the conditions listed below). The accelerated safeguard or accelerated financial safeguard proceedings have been designed to "fast-track" the regular safeguard proceedings. The regime applicable to accelerated safeguard or accelerated financial safeguard proceedings is roughly the regime applicable to the regular safeguard proceeding to the extent compatible with the accelerated timing in accelerated safeguard and or accelerated financial safeguard proceedings. Therefore some provisions relating in particular to ongoing contracts and restitution claims formed by owners are excluded by law.

The accelerated safeguard proceeding has effect against pre-insolvency creditors that have to file a proof of claim (see below) and as a consequence trade creditors notably will be involved in the accelerated safeguard proceedings, whereas accelerated financial safeguard proceedings only involve financial creditors (*i.e.*, members of the credit institutions committee and the bondholders' general meeting), with no impact on suppliers or public creditors notably (who will thus continue to be paid according to their applicable contract terms and are not subject to the automatic stay applicable during the observation period).

The debtor will be prohibited from paying, to any creditor to whom the accelerated safeguard or accelerated financial safeguard proceedings (as the case may be) apply, any amounts (including interest) in respect of debts incurred (i) prior to the commencement of the proceedings or (ii) after the commencement of the proceedings if not incurred for the purposes of the proceedings or the observation period or in consideration of services rendered/goods delivered to the debtor (post-commencement non-privileged debts). Such amounts may be paid only after the judgment of the court approving the safeguard plan and in accordance with its terms.

The regime applicable to accelerated financial safeguard proceedings is similar to the one applicable to accelerated safeguard proceedings (which is designed as the common accelerated proceeding, the accelerated financial safeguard proceedings being a variety of the latter, designed to "fast-track" purely financial difficulties).

To be eligible to accelerated safeguard or accelerated financial safeguard proceedings, the debtor must fulfill the following conditions:

- the debtor must be subject to ongoing conciliation proceedings when it files for accelerated safeguard or accelerated financial safeguard proceedings;
- the debtor must not have been insolvent for more than 45 days when it initially requested the opening of *conciliation* proceedings;
- as is the case for regular safeguard proceedings, the debtor must face difficulties that it is not in a position to overcome;
- in the context of the conciliation proceedings, the debtor must have prepared a draft restructuring plan that aims to protect its operations in the long run and which is likely to be supported, within the group of those creditors who will be affected by the accelerated (or accelerated financial) safeguard proceedings, by a sufficiently large majority of them to allow a likely adoption of the plan by the relevant creditors' committees (credit institutions' committee only for the accelerated financial safeguard) and bondholders general meeting if any within the duration of the procedure;

- the debtor must (i) have its accounts certified by a statutory auditor or established by an accounting expert and have (x) more than twenty employees; or (y) have a turnover greater than €3 million excluding any applicable taxes; or (z) have total assets in its balance sheet greater than €1.5 million or (ii) establish consolidated financial statements in accordance with article L. 233-16 of the French Commercial Code. Where the debtor does not meet the statutory thresholds provided for to constitute creditors' committees (see above), the court shall order such constitution in its ruling opening the accelerated safeguard or accelerated financial safeguard proceedings.

Where accelerated safeguard proceedings are opened, the creditors' committees (only the credit institutions committee in accelerated financial safeguard proceedings) and the bondholders' general meeting are convened and are required to vote on the proposed accelerated safeguard plan within the minimum period of 15 days of delivery of the proposed plan (eight days in accelerated financial safeguard proceedings).

The plan is adopted following the same majority rules as in regular safeguard proceedings and it may notably provide for a debt rescheduling, and/or debt cancellation, and/or conversion of debt into equity (requiring the relevant shareholder consent). No debt rescheduling or cancellation may be imposed, without their consent, on creditors that do not belong to one of the committees or are not bondholders.

The total duration of the accelerated safeguard proceedings is three months, while the duration of the accelerated financial safeguard proceedings is one month, unless the court decides to extend it by one additional month. If no plan is adopted by the creditors committee(s) and the bondholders' general meeting at the relevant majority rules within such timeframe, the court shall terminate the accelerated safeguard or accelerated financial safeguard proceedings and cannot impose any uniform debt rescheduling.

The list of claims of creditors party to the conciliation proceedings certified by the statutory auditor shall be deemed to constitute the filing of such claims for the purpose of accelerated safeguard proceedings or, as applicable, accelerated financial safeguard proceedings (see below) unless the creditors otherwise elect to make such a filing (see below).

The "Hardening Period" (période suspecte) in Judicial Reorganization and Judicial Liquidation Proceedings

The date of insolvency (*cessation des paiements*) is generally deemed to be the date of the court decision commencing the judicial reorganization or judicial liquidation proceedings. However, in the decision commencing judicial reorganization or judicial liquidation proceedings or in a subsequent decision, a court may set the date on which the debtor became insolvent at an earlier date, up to 18 months prior to the court decision commencing the proceedings. Also, except in the case of fraud, the insolvency date may not be set at a date earlier than the date of the final court decision that approved an agreement (*homologation*) in the context of conciliation proceedings (see above). This date is important because it marks the beginning of the "hardening period" (which lasts until the opening of the insolvency proceedings). Certain transactions entered into by the debtor during the hardening period are, by law, automatically void or voidable by the court.

Automatically void transactions include in particular transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. Such transactions or payments must be set aside by the court if a claimant (the judicial administrator, the liquidator, the creditors' representative or the court-appointed trustee in charge of overseeing the implementation of the restructuring plan, or the Public Prosecutor) so requests. These include, notably, transfers of assets for no consideration or for nominal consideration, contracts under which the reciprocal obligations of the debtor significantly exceed those of the other party, payments of debts not due at the time of payment, payments of debts that are due made in a

manner which is not commonly used in the ordinary course of business, security granted for debts previously incurred, provisional attachement or seizure measures (unless the right of attachment or seizure predates the date of *cessation des paiements*), share options granted or sold during the hardening period, the transfer of any assets or rights to a trust arrangement (*fiducie*) (unless such transfer is made as a security for debt incurred at the same time), any amendment to a trust arrangement (*fiducie*) that dedicates assets or rights as a guaranty of pre-existing debts and a declaration of non-seizability (*déclaration d'insaisissabilité*) applying to certain assets of the debtor pursuant to article L.526-1 of the French Commercial Code (*e.g.*, its main domicile) during the hardening period.

Voidable transactions include, (i) transactions for consideration, (ii) payments of due and payable debts or (iii) notices of attachments made to third parties (*avis à tiers détenteur*), seizures (*saisie attribution*) and oppositions, in each case, if such actions are taken after the debtor was in *cessation des paiements* and the party dealing with the debtor knew that the debtor was in *cessation des paiements* at that time. In addition, transactions relating to transfers of assets for no consideration are also voidable when carried out during the six-month period prior to the beginning of the hardening period. Unlike void transactions, which must be set aside by the court if so requested, the court has discretion to decide whether or not it is appropriate to set aside transactions that are only "voidable."

There is no hardening period prior to the opening of safeguard proceedings, accelerated safeguard or accelerated financial safeguard.

Extension of Insolvency Proceedings

French law provides that, upon the petition of the debtor, of the Public Prosecutor, the judicial administrator, the creditors' representative or the liquidator, the insolvency proceedings of a company may be extended to another one, so that their respective assets and liabilities will be treated as belonging to one single insolvency estate, if (i) the debtor company is deemed "fictitious," *i.e.* a sham, or (ii) the debtor company "commingled its assets and liabilities" with another entity, *i.e.* either it proves impossible to determine which assets and liabilities belong to each of them or "abnormal financial relationships" existed between the two entities (such as transfers of assets or funds without consideration).

Protective Measures under Safeguard, Judicial Reorganization and Judicial Liquidation Proceedings

Protective measures may be taken by the President of the court on the assets of *de facto* or *de jure* managers against whom a liability action for shortfall of assets has been launched in judicial liquidation proceedings.

In addition, protective measures may be requested:

- in the context of a legal action to extend the insolvency to a third party (on the grounds mentioned above), against the defendant; and
- over the assets of the *de facto* or *de jure* manager of a company subject to judicial reorganization proceedings and against whom an action for liability is brought on the grounds of a fault having led the company to its cash-flow insolvency (*cessation des paiements*). Such protective measure can be maintained in judicial liquidation proceedings.

These protective measures aim at precluding third parties from seizing the assets of the company against which an action for extension of the insolvency proceedings is brought or the assets of the manager against which an action for liability is brought.

Status of Creditors During Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings

As a general rule, creditors domiciled in France whose debts arose prior to the commencement of insolvency proceedings must file a proof of claim (*déclaration de créances*) with the creditors' representative within two months of the publication of the court decision in the *Bulletin Officiel des annonces civiles et commerciales* (by exception, the deadline starts upon receipt of an individual notification for those creditors whose claim arose out of a published contract or who benefit from a published security interest); this period is extended to four months for creditors domiciled outside France. Where the debtor has informed the creditors' representative of the existence of a claim and no proof of a claim has been filed yet, such claim is deemed filed with the creditors' representative. Creditors are allowed to ratify a proof of claim made on their behalf until the judge rules on the admission of their claims. Creditors who have not submitted their claims during the relevant period and whose claims are not deemed filed with the creditors' representative are barred, except with respect to very limited exceptions, from receiving distributions made in accordance with the insolvency proceedings. Employees do not need to file proofs of claim and are preferential creditors under French law.

In accelerated safeguard and accelerated financial safeguard proceedings, the debts held by creditors that took part in the conciliation proceedings are listed by the debtor and certified by its statutory auditor (or, in its absence, its accountant) and are thus deemed to have been filed. Although such creditors can file proofs of claim pursuant to the regular process, they may also avail themselves of this simplified alternative and merely adjust the amounts of their claims as set forth on the list prepared by the debtor (within the 2 or 4 months' time limit). Those creditors who did not take part in the conciliation proceedings (but who would be members of the creditors' committees or the bondholders' general meeting) would have to file their proofs of claim within the above-mentioned legal time limit and process.

During the observation period:

- accrual of interest is suspended (except in respect of loans providing for an initial term of at least one year, or contracts providing for a payment which is differed by at least one year; even in such a case, accrued interest cannot bear themselves interest, notwithstanding Article 1343-2 of the French Civil Code (*Code civil*));
- the debtor is prohibited from paying to any creditor to whom the relevant proceedings apply any amounts (including interest) in respect of (i) debts incurred prior to the date of the court decision commencing the insolvency proceedings, subject to specified exceptions which essentially cover the set-off of related debts (*compensation pour dettes connexes*), and payments authorized by the supervising judge (*juge-commissaire*) to recover assets for which recovery is justified by the continued operation of the business and (ii) post-opening debts if not useful to the proceedings or not in consideration of services rendered/good delivered to the debtor;
- debts duly arising after the commencement of the proceedings and which were incurred for the purposes of the proceedings or of the observation period, or in consideration of services rendered/goods provided to the debtor during this period, must be paid as and when they fall due and, if not, will be given priority over debts incurred prior to the commencement of the proceedings (with certain limited exceptions, such as claims secured by a "New Money Lien"), provided that they are duly filed within one year of the end of the observation period;
- in the context of judicial reorganization or liquidation proceedings only, absent consent to other terms of payment, immediate cash payment for services rendered pursuant to an ongoing contract (*contrat en cours*), will be required; and
- creditors may not initiate or pursue any individual legal action against the debtor (or, in safeguard or reorganization proceedings, against a guarantor of the debtor provided such

guarantor is an individual) with respect to any claim arising prior to the court decision commencing the insolvency proceedings if the objective of such legal action is:

- to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due);
- to terminate or cancel a contract for non-payment of pre-opening amounts owed to the creditor; or
- to enforce the creditor's rights against any assets of the debtor, except (i) in judicial liquidation proceedings, by way of judicial foreclosure (*attribution judiciaire*) of the pledged assets or (ii) where such asset—whether tangible or intangible, moveable or immoveable—is located in another Member State within the European Union, in which case the rights in rem of creditors thereon would not be affected by the insolvency procedure, in accordance with the terms of article 8 of EC Regulations 2015/848 (provided no secondary proceedings are open in such member state). Similarly, the rights of a creditor on the debtor's assets located outside France (and the EU) would only be affected by the French insolvency proceedings if they were to be recognized by the local courts where the assets at stake are located (unless provided otherwise in a treaty to which France is a party).

In accelerated safeguard or accelerated financial safeguard proceedings, the above rules only apply to the creditors which are subject to those proceedings. Debts owed to other creditors continue to be payable in the ordinary course of business.

Contractual provisions such as those contained in the Indenture that would accelerate the payment of the debtor's obligations upon the occurrence of certain insolvency events are not enforceable under French law, and the court-appointed administrator can unilaterally decide not to continue ongoing contracts (*contrats en cours*) which it believes the debtor will not be able to continue to perform. The court-appointed administrator can, on the contrary, require that other parties to a contract continue to perform their obligations even though the debtor may have been in default, but on the condition that such debtor fully performs its post-opening contractual obligations. The opening of liquidation proceedings does, however, automatically accelerate the maturity of all of the debtor's liabilities, unless the court allows the business to continue for a period of no more than three months (renewable once) if it considers that a sale of part or all of the business is possible. In this case, the debtor's liabilities are deemed mature on the day the court approves the sale of the business or the end of the period of continuation of the business.

Contractual provisions pursuant to which the opening of insolvency proceedings triggers the acceleration of the debt (for safeguard or judicial reorganization proceedings) or the termination or cancellation of an ongoing contract are not enforceable against the debtor, as well as, according to a decision of the French Supreme Court dated January 14, 2014, n°12-22.909, "contractual provisions modifying the conditions of continuation of an ongoing contract, diminishing the rights or increasing the obligations of the debtor solely upon the opening of reorganization proceedings" (which should also apply in case of safeguard, accelerated safeguard or accelerated financial safeguard proceedings).

During reorganization proceedings, when an ongoing contract involves the payment of a sum of money, this payment must be made in cash (*i.e.*, without payment terms (*paiement au comptant*)), unless the administrator obtains extended payment deadlines from the contractual partner of the debtor.

If the court adopts a safeguard plan or a reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan. The court can also set a time period during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent.

If the court adopts a sale of the business plan (*plan de cession*), the proceeds of the sale will be allocated for the repayment of the creditors according to the ranking of their claims.

If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator in charge of selling the assets of the company and settling the relevant debts in accordance with their ranking. However, in practice, where a plan for the sale of the business is considered, it will usually appoint a judicial administrator to manage the company and organize such sale of the business proceeds.

French insolvency law assigns a certain order of priority to the payment of certain preferred creditors, *i.e.*: certain pre-opening employee claims, post-opening legal costs (essentially, fees of the officials appointed by the insolvency court), creditors who, as part of a sanctioned *conciliation* agreement, have provided new money or goods or services (the "*New Money Lien*"), creditors having security over real estate assets (in case of judicial liquidation proceedings only; in case of safeguard or judicial reorganization proceedings, they rank behind post-opening privileged creditors), post-opening privileged creditors (*i.e.*, whose claims meet certain criteria, such claims being subject to a specific order of priority among themselves), and the other pre-opening and post-opening creditors, whose order of priority among themselves depends on various factors (in particular, the French State and other public institutions benefit from the highest ranking, with respect to taxes and social charges). Some creditors may nevertheless bypass this order of priority, *e.g.* if they benefit from a retention right over certain assets.

Judicial Reorganization or Judicial Liquidation Proceedings

The objectives of judicial reorganization proceedings are the sustainability of the business, the preservation of employment and the payment of creditors, in that order.

As soon as judicial reorganization or judicial liquidation proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

The court ruling commencing the proceedings may order either the liquidation or the reorganization of the company (see "*The Observation Period and Its Outcome*" and "*Creditors' Committees and Adoption of the Safeguard or Reorganization Plan*" for a description of the observation period and the consultation of the creditors on the draft reorganization plan). There is no observation period in case of judicial liquidation proceedings being opened against the debtor nor does the law limit their duration. The outcome of these proceedings, which is decided by the court without a vote of the creditors, may be a plan for the sale of the business and/or isolated sales of the debtor's assets in order to discharge the debtor's liabilities. In case a plan for the sale of the business is considered, the court can authorize a temporary continuation of the business for a maximum period of three months (renewable once at the Public Prosecutor's request), whose effects are similar to an observation period.

In either judicial liquidation proceedings or in judicial reorganization proceedings (in the latter case, if no restructuring plan is drafted or if the draft restructuring plans appears obviously incapable of restoring the debtor's viability), the court may also decide to adopt a sale of the business plan (*plan de cession*), *i.e.* a plan whereby all or part of the business is sold to a third party which can cherry-pick the assets, contracts and employees, without (subject to certain exceptions) the need to obtain the consent of either the debtor, the creditors or the other party to certain contracts (such as lease-back agreements or supply agreements of goods and services). Any third party may make a bid to that effect as from the opening of judicial reorganization of judicial liquidation proceedings. By exception, such sale may be organized in *mandat ad hoc* and/or conciliation proceedings and implemented in insolvency (including safeguard) proceedings, through an expeditious and derogatory process (without a formal competitive bids process, if so decided by the court).

If such a sale of the business plan is adopted, the proceeds of the sale will be allocated for the repayment of the creditors according to the ranking of their claims. The sale price is generally significantly lower than the aggregate value of the assets, bearing in mind that the courts would endorse the most credible offer that would best ensure the preservation of jobs. If the court adopts a sale of the business plan, it can set a time period during which the assets that it deems to be essential to the continuation of the business of the debtor may not be sold without its consent.

If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator, which is generally the former creditors' representative. The liquidator is vested with the power to represent the debtor and perform the liquidation operations (mainly liquidate the assets and settle the liabilities to the extent the proceeds from the liquidated assets are sufficient, in accordance with the creditors' priority order of payment). The liquidator will take over the management and control of the debtor and the managers of the debtor are no longer in charge of its management.

The court will end the proceedings when either no due liabilities remain, the liquidator has sufficient funds to pay off the creditors (*extinction du passif*), or continuation of the liquidation process becomes impossible due to insufficiency of assets (*insuffisance d'actif*).

The court may also terminate the proceedings:

- when the interest of the continuation of the liquidation process is disproportionate compared to the difficulty of selling the assets; or
- in the event where there are insufficient funds to pay off the creditors, by appointing a mandataire in charge of continuing ongoing lawsuits and allocating the amounts received from these lawsuits between the remaining creditors.

Creditors' Liability

Pursuant to Article L. 650-1 of the French Commercial Code, where insolvency proceedings (including safeguard proceedings) have been commenced, creditors may only be held liable for the losses suffered as a result of facilities granted to the debtor and on the following grounds: (i) fraud; (ii) clear interference with the management (*immixtion caractérisée dans la gestion*) of the debtor; or (iii) if the security or guarantees taken to support the facilities are disproportionate to such facilities. In addition, any security or guarantees taken to support facilities in respect of which a creditor is found liable on any of these grounds can be cancelled or reduced by the court. Case law has recently set out that this liability would also require that the granting of the facility be deemed to be wrongful.

If a creditor has repeatedly interfered in the company's management, it can be deemed a de facto manager of such company ("*dirigeant de fait*"). In such case, article L 651-2 of the French commercial Code provides that, if liquidation proceedings (*liquidation judiciaire*) have been commenced against the debtor, such creditor being deemed *de facto* manager may be liable for bearing the excess of liabilities over the company's assets, along with the other managers (whether *de jure* or *de facto*), as the case may be, if it is established that their mismanagement has contributed to the company's shortfall of assets. If such conditions are met, French courts will decide whether the managers should bear all or part of the shortfall amount. Pursuant to a new statutory provision, the liabilities of the company shall not be borne by the managers in case of "simple negligence" (*simple négligence*), it being noted that the scope of this provision is yet to be clarified in case law and that it only applies to mismanagement carried out after its enactment dated 9 December 2016.

Limitation on Enforcement of the Guarantee

The liabilities and obligations of a Guarantor incorporated in France (a "*French Guarantor*") are subject to the rules relating to corporate benefit. Under French corporate benefit rules, a court could declare any guarantee unenforceable and void, and if payment had already been made under the

relevant guarantee, require that the recipient return the payment to the relevant guarantor, if the court found that the French Guarantor did not receive some real and adequate corporate benefit from the transaction involving the grant of the guarantee as a whole or the amounts guaranteed are not commensurate with the benefit received. Existence of corporate benefit is a factual matter which must be determined on a case-by-case basis.

The existence of a real and adequate benefit to the guarantor and whether the amounts guaranteed are commensurate with the benefit received are matters of fact as to which French case law provides no clear guidance.

However, based on current case law certain inter-group transactions (including up-stream guarantees) can be in the corporate interest of the relevant company, in particular, where the following criteria are fulfilled:

- the risk assumed by a French Guarantor must be proportionate to the benefit;
- the French Guarantor must receive an actual and adequate benefit, consideration or advantage from the transaction involving the granting by it of the guarantee which is commensurate with the liability which it takes on under the guarantee; and
- the obligations of the French Guarantor under the guarantee must not exceed its financial capability.

Such criteria being subject to interpretation and depending on factual matters, the prudent approach prevailing in the French market is to create a strict correlation between the risk assumed and the benefit received by a French Guarantor and therefore, limiting the amounts of the guarantee to the amounts on-lent to the French Guarantors as set out below.

The Guarantee provided by a French Guarantor will apply only insofar as required to:

(i) guarantee the payment obligations under the Indenture and the Notes of its direct or indirect subsidiaries which are or become Guarantors from time to time under the Indenture and the Notes and incurred (A) by those subsidiaries which are not French Guarantors in their capacity as Guarantors (without double counting), provided that where such subsidiary is itself a Guarantor which guarantees the obligations of a member of the group which is not a direct or indirect subsidiary of the relevant French Guarantor, the amounts payable by such French Guarantor under this paragraph (i) in respect of the obligations of this subsidiary as Guarantor shall be limited as set out in paragraph (ii) below or (B) by those subsidiaries which are French Guarantors in their capacity as Guarantors; and

(ii) guarantee the payment obligations under the Indenture and the Notes of the Issuer or Guarantor which is not a direct or indirect subsidiary of that French Guarantor, provided that in each case such guarantee shall be limited to the payment obligations of the Issuer or Guarantor under the Indenture and the Notes provided that these shall not exceed an amount equal to the aggregate of all amounts made available (directly or indirectly) to the Issuer or Guarantor under the Indenture and the Notes and on-lent (directly or indirectly by way of intra-group loans or similar arrangements) to such French Guarantor and outstanding from time to time (such amount being the "*French Maximum Guaranteed Amount*").

It being specified that any payment made by such French Guarantor in accordance with paragraph (ii) above in respect of the obligations of the Issuer or Guarantor shall reduce *pro tanto* the outstanding amount of the intercompany loans (if any) due by such French Guarantor to the Issuer or Guarantor under the intercompany loan arrangements referred to above. For the avoidance of doubt, any payment made by a French Guarantor in respect of the payment obligations of the Issuer or a Guarantor referred to in paragraph (ii) above shall reduce the French Maximum Guaranteed Amount.

No French Guarantor will secure liabilities under the Indenture and the Notes which would result in such French Guarantor not complying with French financial assistance rules as set out in Article L. 225-216 of the French Commercial Code (*Code de commerce*) and/or would constitute a misuse of corporate assets within the meaning of article L. 241-3, L. 242-6 or L. 244-1 of the French Commercial Code (*Code de commerce*) or any other law or regulations having the same effect, as interpreted by French courts

No French Guarantor will be acting jointly and severally with the Issuer and/or the other Guarantors as to its obligations arising under or in connection with any such guarantee given in accordance with any Indenture.

By virtue of this limitation, each French Guarantor's obligations under the Guarantees could be significantly less than amounts payable with respect to the Notes or a French Guarantor may have effectively no obligation under the Guarantee should the balance of the portion of the proceeds of the Notes made available to a French Guarantor directly or indirectly be equal to or reduced to zero.

Fraudulent Conveyance

French law contains specific provisions dealing with fraudulent conveyance both in and outside of insolvency proceedings, called *action paulienne* provisions. The *action paulienne* offers creditors protection against a decrease in their means of recovery. A legal act performed by a debtor (including, without limitation, an agreement pursuant to which such debtor guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of such debtor's or a third party's obligations, enters into additional agreements benefiting from existing security and any other legal act having similar effect) can be challenged in or outside insolvency proceedings of the relevant debtor by, as the case may be, the creditors' representative or the trustee in charge of overseeing the implementation of the restructuring plan (*commissaire à l'exécution du plan*) of the relevant debtor, or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings, and may be declared unenforceable against third parties if: (i) the debtor performed such acts without an obligation to do so; (ii) the creditor concerned or, in the case of the debtor's insolvency proceedings, any creditor, was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the act was performed both the debtor and the counterparty to the transaction knew or should have known that one or more of such debtor's creditors (existing or future) would be prejudiced in their means of recovery, unless the act was entered into for no consideration (*à titre gratuit*), in which case such knowledge of the counterparty is not necessary for a successful challenge on grounds of fraudulent conveyance. If a court found that the issuance of the Notes or the granting of a Guarantee involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes or the granting of such Guarantee could be declared unenforceable against third parties or declared unenforceable against the creditor that lodged the claim in relation to the relevant act. As a result of such successful challenges, the Noteholders may not enjoy the benefit of the Notes, the Guarantees and the value of any consideration that the Noteholders received with respect to the Notes or the Guarantees could also be subject to recovery from the Noteholders and, possibly, from subsequent transferees. In addition, under such circumstances, the Noteholders might be held liable for any damages incurred by prejudiced creditors of the Issuers or the Guarantors as a result of the fraudulent conveyance.

Germany

The enforcement of the Guarantee granted by a German subsidiary of the Issuer (such as Hertz Autovermietung GmbH) will be limited if, and to the extent, payments under the Guarantee would cause the amount of such German subsidiary's net assets (*i.e.*, assets minus liabilities and liability reserves) to fall below the amount of its stated share capital. In such event, the German subsidiary will be entitled to block enforcement of the Guarantee in full or in part, as the case may be, and any

payments received under the Guarantee in violation thereof must be refunded to such German subsidiary. See "*—Limitation on Enforcement*" below.

Insolvency

In the event of insolvency of a German subsidiary of the Issuer, insolvency proceedings may be initiated in Germany if it was held to have its centre of main interest within the territory of the Federal Republic of Germany at such time. Such proceedings would then be governed by German law. However, pursuant to the EC Regulation, where a German company conducts business in more than one member state of the European Union, the jurisdiction of the German courts may be limited if the company's "centre of main interests" is found to be in a member state other than Germany (see "*—European Union*"). This issue is to be determined at the time when the application for the opening of insolvency proceedings (*Insolvenzeröffnungsantrag*) is filed.

Under German law, insolvency proceedings can be initiated either by a company itself or by a creditor of such company upon the occurrence of a cause of insolvency, with over indebtedness (*Überschuldung*), illiquidity (*Zahlungsunfähigkeit*) and impending illiquidity (*drohende Zahlungsunfähigkeit*) of the relevant company constituting such causes of insolvency. In case of impending illiquidity, though, only the relevant company's management but not its creditors may initiate insolvency proceedings.

According to the relevant provision of the German Insolvency Code (*Insolvenzordnung*), a debtor is over indebted when its liabilities exceed the value of its assets (based on their liquidation values), unless a continuation of the debtor's business is predominantly likely (positive *Fortführungsprognose*). A company is considered to be illiquid if it is unable to pay its debts as and when they fall due. Impending illiquidity (*drohende Zahlungsunfähigkeit*) exists if the company is currently able to service its payment obligations, but will presumably not be able to continue to do so at some point in time within a certain prognosis period.

Upon a limited liability company (*Gesellschaft mit beschränkter Haftung*—GmbH) or any company not having an individual as its personally liable shareholder becoming illiquid or over indebted, its managing director(s) and, in certain circumstances its shareholders, are required by law to file for insolvency without undue delay, however, at the latest within three weeks after the mandatory insolvency reason (*i.e.*, illiquidity and/or over indebtedness) occurred. Failure to comply with this obligation exposes the management to both severe damage claims as well as sanctions under criminal law.

The insolvency proceedings are administered by the competent insolvency court which monitors the due performance of the proceedings. Upon receipt of the insolvency petition, the insolvency court may take preliminary measures to secure the property of the debtor during the preliminary proceedings (*Insolvenzeröffnungsverfahren*). The insolvency court may prohibit or suspend any measures taken to enforce individual claims against the debtor's assets during these preliminary proceedings. In addition, the court will also appoint a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*), unless the debtor has petitioned for preliminary debtor in possession status (*vorläufiger Eigenverwaltung*)—an insolvency process in which the debtor's management generally remains in charge of administering the debtor's business affairs under the supervision of a preliminary custodian (*vorläufiger Sachwalter*)—with this petition not being obviously futile. Depending on the size of the debtor's business operations, the insolvency court must or may appoint a preliminary creditors' committee (*vorläufiger Gläubigerausschuss*) to form a view on the profile of the officeholder to be appointed or even to make a suggestion for a particular individual to be appointed by the court. In case the members of the preliminary creditors' committee unanimously agree on an individual, such suggestion is binding on the court (unless the suggested individual is not eligible; *i.e.*, incompetent and/or not interested). To ensure that the preliminary creditors' committee reflects the interests of all creditor constituencies, it shall

comprise a representative of the secured creditors, one for the large and one for the small creditors as well as one for the employees. The duty of the preliminary insolvency administrator is, in particular, to safeguard and to preserve the debtor's assets (which includes the continuation of the business carried out by the debtor), to verify the existence of reason for insolvency and to assess whether the debtor's net assets will be sufficient to cover the costs of the insolvency proceedings. The court orders the opening (*Eröffnungsbeschluss*) of formal insolvency proceedings (*eröffnetes Insolvenzverfahren*) if certain requirements are met, particularly if there are sufficient assets to cover at least the cost of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only open formal insolvency proceedings if third parties, such as creditors, advance the costs themselves. In the absence of such advancement, the petition for the opening of insolvency proceedings will be dismissed for insufficiency of assets (*Abweisung mangels Masse*).

Upon the opening of formal insolvency proceedings, an insolvency administrator (usually the same person who acted as preliminary insolvency administrator) is appointed by the insolvency court unless a debtor in possession status (*Eigenverwaltung*) is ordered. In the absence of a debtor in possession status, the right to administer the debtor's business affairs and to dispose of the assets of the debtor passes to the insolvency administrator with the insolvency creditors (*Insolvenzgläubiger*) only being entitled to change the individual appointed as insolvency administrator upon the occasion of the first creditors' assembly (*erste Gläubigerversammlung*) with such change requiring that (i) a simple majority of votes cast (by heads and amount of insolvency claims) has voted in favor of the proposed individual to become insolvency administrator and (ii) the proposed individual being eligible as officeholder (*i.e.*, he or she is sufficiently qualified, business experienced and impartial). The insolvency administrator may raise new financial indebtedness and incur other liabilities to continue the debtor's business. These new liabilities incurred by the insolvency administrator qualify as preferential claims against the estate (*Masseforderung*) which are preferred to any insolvency claim of an unsecured creditor (with the residual claim of a secured insolvency creditor remaining after realization of the available collateral (if any) also qualifying as unsecured insolvency claim).

All creditors, whether secured or unsecured, who wish to assert claims against the debtor need to participate in the insolvency proceedings. Any individual enforcement action brought against the debtor by any of its creditors is subject to an automatic stay once insolvency proceedings have been opened. German insolvency proceedings are collective proceedings and creditors may generally no longer pursue their individual claims in the insolvency proceedings separately, but can instead only enforce them in compliance with the restrictions of the German Insolvency Code. In the insolvency proceedings, however, secured creditors have certain preferential rights (*Absonderungsrechte*). Depending on the legal nature of the security interest, entitlement to enforce such security is either vested with the secured creditor or the insolvency administrator. In this context, it should be noted that the insolvency administrator generally has the sole right to realize any movable assets in his, her or the debtor's possession that are subject to preferential rights (*e.g.*, liens over movable assets (*Mobiliarsicherungsrechte*), or security transfer of title (*Sicherungsübereignung*)) as well as to collect any claims that are subject to security assignment agreements (*Sicherungsabtretungen*). Pursuant to a minority view, the insolvency administrator is also entitled to enforce share pledges and account pledges. If the enforcement right is vested with the insolvency administrator, the enforcement proceeds, less certain contributory charges for (i) assessing the value of the secured assets (*Feststellungskosten*) and (ii) realizing the secured assets (*Verwertungskosten*) which, in the aggregate, usually add up to 9% (or more in certain circumstances) of the gross enforcement proceeds plus VAT (if any), are disbursed to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. With the remaining unencumbered assets of the debtor the insolvency administrator has first to satisfy the preferential creditors of the insolvency estate (*Massegläubiger*) (including the costs of the insolvency proceedings as well as any preferred liabilities incurred by the insolvency estate after the opening of formal insolvency proceedings). Thereafter, all other unsubordinated claims (insolvency claims) (*Insolvenzforderungen*), will be satisfied on a pro rata basis if and to the extent there is cash

remaining in the insolvent estate (*Insolvenzmasse*) after the security interest and the preferential claims against the estate have been settled and paid in full. Therefore, the proceeds resulting from the realization of the insolvency estate of the debtor may not be sufficient to satisfy unsecured creditors of the Issuer or under a guarantee granted by any German guarantor in full after the secured creditors have been satisfied. Claims of subordinated creditors in the insolvency proceedings (*nachrangige Insolvenzgläubiger*) are satisfied only after the claims of other non-subordinated creditors (including the unsecured insolvency claims) have been fully satisfied. In addition, it may take several years until an insolvency dividend (if any) is distributed to unsecured creditors.

While in ordinary insolvency proceedings the value of the debtor's assets is realized by a piecemeal sale or, as the case may be, by a bulk sale of the debtor's business as a going concern, a different approach aimed at the rehabilitation of the debtor can be taken based on an insolvency plan (*Insolvenzplan*). Such plan can be submitted by the debtor or the insolvency administrator and requires, among other things and subject to certain exceptions, the consent of the debtor and the consent of each class of creditors in accordance with specific majority rules and the approval of the insolvency court. The insolvency court may order the deemed approval of one or more opposing creditor groups under certain conditions (cram down). The insolvency plan may derogate from the provisions of the German Insolvency Code. In particular, it may contain provision regarding the discharge of secured and unsecured creditors, the disposal of the insolvency estate as well as procedure. It may also create, modify, transfer or terminate rights in rem such as property rights or security interests. If the debtor is a corporate entity, the shares or, as the case may be, the membership rights in the debtor can also be included in the insolvency plan, *e.g.*, these can be transferred to third parties, including a transfer to creditors based on a debt to equity swap. Thus, an insolvency plan could under certain circumstances provide for provisions regarding the Guarantees which are less favorable to the Noteholders than the provisions of the German Insolvency Code. Under certain conditions, such provisions could be adopted against the votes of the affected Noteholders. Moreover, if the debtor has filed a petition for the opening of insolvency proceedings based on a reason for the insolvency other than illiquidity (*i.e.*, imminent illiquidity or over indebtedness), combined with a petition to initiate such process based on a debtor in possession status and can demonstrate that a restructuring of its business is not obviously futile, the court may grant a period of up to three months to draw up an insolvency plan for the debtor business (*Schutzschirmverfahren*). During this period, the creditors' rights to enforce security may—upon application of the filing debtor—be suspended. Under these circumstances, the insolvency court must appoint a preliminary custodian (*vorläufiger Sachwalter*) to supervise the process. The debtor is entitled to suggest an individual to be appointed as custodian with such suggestion being binding on the insolvency court unless the suggested person is obviously not eligible to become a custodian (*i.e.*, he or she is obviously not competent or impartial).

Under German insolvency law, there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In case of a group of companies, each entity, from an insolvency law point of view, has to be dealt with separately on an entity by entity basis (*i.e.*, there is no group insolvency concept under German insolvency law). However, on 21 April 2018, the Bill to Facilitate the Handling of Group Insolvencies (*Gesetz zur Erleichterung der Bewältigung von Konzerninsolvenzen*) will enter into force, entailing changes in German insolvency law aimed at improving the coordination of the insolvency proceedings concerning the assets of the group companies and facilitating the restructuring of the group. While the Bill will not abolish the principle of separate insolvency proceedings in relation to each group entity, it stipulates four key amendments of the German Insolvency Act in order to facilitate an efficient administration of group insolvencies: (1) a single court may be competent for each group entity insolvency proceedings; (2) the appointment of an identical person as insolvency administrator for all group companies is facilitated; (3) certain coordination obligations are imposed on insolvency courts, insolvency administrators and creditors' committees; and (4) certain parties may apply for "coordination proceedings" (*Koordinationsverfahren*) and the

appointment of a "coordination insolvency administrator" (*Koordinationsverwalter*) with the ability to propose a "coordination plan" (*Koordinationsplan*).

Under German insolvency law, termination rights, automatic termination events or "escape clauses" entitling one party to terminate an agreement, or resulting in an automatic termination of an agreement, upon the opening of insolvency proceedings in respect of the other party, the filing for insolvency or the occurrence of reasons justifying the opening of insolvency proceedings (*insolvenzbezogene Kündigungsrechte oder Lösungsklauseln*) may be invalid if they frustrate the election right of the insolvency administrator whether or not to perform the contract unless they reflect termination rights applicable under statutory law. This may also relate to agreements that are not governed by German law.

Finally, the insolvency estate shall serve to satisfy the liquidated claims held by the personal creditors against the debtor on the date when the insolvency proceedings were opened. The following claims shall be satisfied ranking below the other claims of insolvency creditors in the order given below, and according to the proportion of their amounts if ranked with equal status: (i) interest and penalty payments accrued on the claims of the insolvency creditors from the opening of the insolvency proceedings; (ii) costs incurred by individual insolvency creditors due to their participation in the proceedings; (iii) fines, regulatory fines, coercive fines and administrative fines, as well as such incidental legal consequences of a criminal or administrative offense binding the debtor to pay money; (iv) claims to the debtor's gratuitous performance of a consideration; and (v) claims for restitution of a shareholder loan or claims resulting from legal transactions corresponding in economic terms to such a loan.

Limitation on Enforcement

The German subsidiaries of the Issuer (such as Hertz Autovermietung GmbH) are established in the form of a limited liability company (*Gesellschaft mit beschränkter Haftung*, "*GmbH*"). Consequently, the grant of collateral or a guarantee by a German subsidiary is subject to certain provisions of the German Limited Liability Company Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*, "*GmbHG*").

Sections 30 and 31 of the GmbHG ("Sections 30 and 31") prohibit a GmbH from disbursing its assets to its shareholders to the extent that the amount of the GmbH's net assets determined in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch*, HGB) (*i.e.*, assets minus liabilities and liability reserves) is or would fall below the amount of its stated share capital (*Stammkapital*). Guarantees, share pledges and any other collateral granted by a GmbH in order to guarantee or secure liabilities of a direct or indirect parent or sister company are considered disbursements under Sections 30 and 31. Therefore, in order to enable subsidiaries incorporated in Germany in the legal form of a German limited liability company (GmbH) to grant collateral or a guarantee to secure liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31, it is standard market practice for credit agreements, guarantees and security documents to contain so called "limitation language" in relation to such subsidiaries. Pursuant to such limitation language, the secured parties agree to enforce the collateral and the beneficiaries of the guarantees agree to enforce the guarantees against the German subsidiary only to the extent that such enforcement does not result in the subsidiary's net assets falling below its stated share capital. Accordingly, the documentation in relation to the guarantees and the security interests, to the extent they relate to a German subsidiary of the Issuer in the legal form of a German limited liability company (GmbH), includes such limitation language and such guarantees and security interests are limited in the manner described.

In addition to the limitations resulting from the capital maintenance rules described above, the guarantees granted by a German subsidiary of the Issuer in the legal form of a German limited liability

company (GmbH) will contain additional provisions limiting the enforcement in the event the enforcement would result in an illiquidity of such German subsidiary.

The limitations set out above apply mutatis mutandis if the guarantee is granted by a German guarantor incorporated as a limited liability partnership (KG) in relation to each general partner (*Komplementär*) incorporated as a limited liability company (GmbH, so called GmbH & Co KG) or if the guarantee is granted by a German guarantor incorporated as a partnership (OHG) in relation to each partner incorporated as a limited liability company (GmbH).

German capital maintenance rules are subject to ongoing court decisions (see, for example, the recent decision of the German Federal Supreme Court (*Bundesgerichtshof*) dated March 21, 2017, file no. II ZR 93/16, regarding the preservation of the share capital). We cannot assure you that future court rulings may not further limit the access of shareholders to assets of their subsidiaries constituted in the form of a GmbH, which can negatively affect the ability of the Issuer to make payment on the Notes, of the subsidiaries to make payments on the guarantees or of the beneficiaries of the guarantees to enforce the guarantees.

In addition, it cannot be ruled out that the case law of the German Federal Supreme Court (*Bundesgerichtshof*) regarding "destructive interference" (*existenzvernichtender Eingriff*) (*i.e.*, a situation in which a shareholder deprives a German limited liability company of the liquidity necessary for it to meet its own payment obligations) may be applied by courts with respect to the enforcement of a subsidiary guarantee or security granted by the German subsidiary guarantors. In such a case, the amount of proceeds to be realized in an enforcement process may be reduced.

According to a decision of the German Federal Supreme Court (*Bundesgerichtshof*), a security agreement may be void due to tortuous inducement of breach of contract if a creditor knows about the distressed financial situation of the debtor and anticipates that the debtor will only be able to grant collateral by disregarding the vital interests of its other business partners. It cannot be ruled out that German courts may apply this case law with respect to the granting of subsidiary guarantees or security by German subsidiary guarantors. Furthermore, the beneficiary of a transaction effecting a repayment of the stated share capital of the grantor of the subsidiary guarantee could moreover become personally liable under exceptional circumstances. The German Federal Supreme Court (*Bundesgerichtshof*) ruled that this could be the case if, for example, the creditor were to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of bonos mores (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the grantor of the guarantee or security was close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

Hardening Periods and Fraudulent Transfer

In the event of insolvency proceedings with respect to a German subsidiary of the Issuer based on and governed by the insolvency laws of Germany, the Guarantee provided by that entity could be subject to potential challenges by an insolvency administrator (*Insolvenzverwalter*) under the rules of avoidance as set out in the German Insolvency Code (*Insolvenzordnung*).

Acts (*Rechtshandlungen*) or transactions (*Rechtsgeschäfte*) (which term includes the provision of security or the repayment of debt) taken by the debtor and its creditors that have been detrimental to the insolvency estate may be challenged by an insolvency administrator. This may affect actions which have occurred up to ten years prior or at any time after an insolvency petition with respect to the relevant debtor's assets has been filed.

With regard to these avoidance rights, according to the recent amendments (Act for the improvement of legal certainty concerning claw-back pursuant to the German Insolvency Code and the German Law on Avoidance, *Gesetz zur Verbesserung der Rechtssicherheit bei Anfechtungen nach der*

Insolvenzordnung und dem Anfechtungsgesetz vom 29. März 2017) of the German Insolvency Code that came into force on April 5, 2017, amongst other things, the provisions on voidness for intentionally disadvantaging third party creditors (*Vorsatzanfechtung*), for cash transactions (*Bargeschäfte*) and the interest rates on avoidance claims have been amended.

In particular, an act (*Rechtshandlung*) or a legal transaction (*Rechtsgeschäfte*) (which term includes the granting of a guarantee, the provision of security and the payment of debt) detrimental to the creditors of the debtor may be voided according to the German Insolvency Code in the following cases:

- any act granting a creditor security or satisfaction for a debt (*Befriedigung*) can be voided if the transaction was effected (i) in the last three months prior to the filing of a petition for the opening of insolvency proceedings, if at the time of the transaction the debtor was illiquid (*zahlungsunfähig*), which means such debtor was unable to pay its debt when due and the creditor had knowledge thereof, or (ii) after a petition for the opening of insolvency proceedings has been filed and the creditor had knowledge thereof or of the debtor being cash flow insolvent (or knowledge of circumstances which imperatively suggesting such illiquid or filing);
- any act granting a creditor security or satisfaction for a debt to which such creditor had no right, no right at the respective time or no right as to the respective manner, can be voided if the transaction was effected in the month prior to the filing of a petition for the opening of insolvency proceedings; if the transaction was effected in the second and third month prior to the filing, it can be voided if at the time of the transaction (i) the debtor was illiquid, or (ii) the creditor knew that the transaction would be detrimental to the creditors of the debtor;
- any legal transaction effected by the debtor which is directly detrimental to the creditors of the debtor can be voided if the transaction was effected (i) in the last three months prior to the filing of a petition for the opening of insolvency proceedings against the debtor, if at the time of the legal transaction the debtor was illiquid and the other party to the legal transaction had knowledge thereof or (ii) after a petition for the opening of insolvency proceedings has been filed against the debtor and the other party to the legal transaction had knowledge thereof or of the debtor being illiquid;
- if an act whereby a debtor grants security for a third party's debts is regarded as having been granted gratuitously (*unentgeltlich*); such gratuitous transaction can be voided unless it was effected earlier than four years prior to the filing of a petition for the opening of insolvency proceedings against the debtor;
- any act performed by the debtor during the ten years prior to the filing of the petition for the opening of insolvency proceedings or at any time after the filing, if the debtor acted with the intention of prejudicing its insolvency creditors (*vorsätzliche Gläubigerbenachteiligung*) and the beneficiary of the act knew of such intention at the time of such act; in case the relevant act granted a creditor, or enabled a creditor to obtain, security or satisfaction for a debt, the above ten-year period is reduced to four years; "knowledge by the beneficiary of the act" in terms of such provision is presumed if the beneficiary knew that the debtor was imminently illiquid (*drohende Zahlungsunfähigkeit*) and that the relevant act disadvantaged the other creditors; in case the relevant act granted a creditor, or enabled a creditor to obtain, security or satisfaction in a form or at a time to which or at which such creditor was entitled, the "knowledge by the beneficiary of the act" is presumed if the beneficiary knew that the debtor was actually illiquid (*eingetretene Zahlungsunfähigkeit*) and that the relevant act disadvantaged the other creditors; the fact that the creditor agreed on a payment plan with the debtor or agreed to deferred payments establishes a presumption that he had no knowledge of the debtor being illiquid at this time;
- any non-gratuitous contract concluded between the debtor and an affiliated party which directly operates to the detriment of the creditors can be voided unless such contract was concluded

earlier than two years prior to the filing of the petition for the opening of insolvency proceedings or the other party had no knowledge of the debtor's intention to disadvantage its creditors as of the time the contract was concluded; in relation to corporate entities, the term "affiliated party" includes, subject to certain limitations, members of management or the supervisory board, general partners and shareholders owning more than 25% of the debtor's share capital, persons or companies holding comparable positions that give them access to information about the economic situation of the debtor, and other persons who are spouses, relatives or members of the household of any of the foregoing persons;

- any act that provides security or satisfaction for a claim of a shareholder for the repayment of a shareholder loan (*Gesellschafterdarlehen*) or an economically equivalent claim can be voided (i) in the event it provided security, if the transaction was effected within the last ten years prior to the filing of a petition for the opening of insolvency proceedings or thereafter or (ii) in the event it provided satisfaction, if the transaction was effected in the last year prior to the filing of a petition for the opening of insolvency proceedings or thereafter; or
- any act whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party can be voided if the transaction was effected in the last year prior to the filing of a petition for the opening of insolvency proceedings or thereafter and if a shareholder of the debtor had granted security or was liable as a guarantor (*Bürge*) (in which case the shareholder must compensate the debtor for the amounts paid (subject to further conditions)).

For purposes of the above, the knowledge of circumstances from which a compelling conclusion regarding the debtor's illiquidity or regarding the filing of a petition for the opening of insolvency proceedings can be drawn, will be considered tantamount to the actual knowledge of the debtor's illiquidity or of the filing of the petition for the opening of insolvency proceedings.

When successful, the challenge of such act (*Rechtshandlung*) or legal transaction results in an obligation of the relevant creditor to return the benefit obtained through or in connection with such action to the insolvency estate, while a claim for the return of a consideration originally granted to the debtor for the debtor's performance (if any) may constitute only a regular, unsecured insolvency claim which may be satisfied only to the extent a general insolvency dividend is paid upon the distribution of the insolvency estate to the creditors.

Such transactions can include the payment of any amounts to the Noteholders as well as granting them any security interest. In the event that such a transaction is successfully avoided, the Noteholders would be under an obligation to repay the amounts received or to waive the Guarantee or security interest.

If the Guarantee given or by a German subsidiary of the Issuer were avoided or held unenforceable for any reason, you would cease to have any claim in respect thereof. Any amounts received from a transaction that has been avoided would have to be repaid to the insolvent estate.

Furthermore, even in the absence of an insolvency proceeding, a third party creditor who has obtained an enforcement order but has failed to obtain satisfaction of its enforceable claims by a levy of execution or where such levy of execution can be expected not to result in full satisfaction of such claims, under certain circumstances, has the right to avoid certain transactions, such as the payment of debt and the granting of security pursuant to the German Code on Avoidance (*Anfechtungsgesetz*). The prerequisites vary to a certain extent from the rules described above and the voidance periods are calculated from the date when a creditor exercises its rights of avoidance in the courts.

The German restructuring laws may be subject to further amendments in near future due to the current EU Commission's proposal as of November 22, 2016 for a directive of the European Parliament and of the Council on preventive restructuring frameworks, second chance and measures to increase the efficiency of restructuring, insolvency and discharge procedures and amending

Directive 2012/30/EU which may, *inter alia*, stipulate that claims of the relevant creditors may be modified by majority vote and against the voting of a single creditor even outside formal insolvency proceedings.

Ireland

The Notes may be guaranteed by Hertz Fleet Limited, a company incorporated in Ireland. The obligations under the Notes and the Guarantees of any Guarantor incorporated in Ireland must be for the corporate benefit of such Irish company.

The question of corporate benefit must be determined on a case by case basis. Consideration has to be given to any direct and/or indirect benefit that the company would derive from the transaction.

The company must be solvent at the time the company gives any guarantee.

The statutory duty owed by the director to the company is to exercise reasonable care, skill and diligence to ensure that everything which the company does is for the benefit of the company as a whole. Consequently, it is necessary for the directors to consider what corporate benefit accrues to the company of which they are directors if the transaction is implemented. In respect of a guarantee which is for the benefit of a group of companies or a parent company the law is surrounded with a certain amount of ambiguity. In certain circumstances it might be legitimate for the directors of a subsidiary company to sacrifice its short-term interests for the good of the group. Furthermore, there may be no breach of duty where this is done with a view to the good of the subsidiary in the medium term. Certain transactions which may seem to benefit the parent company at the expense of the subsidiary may therefore be permissible.

If directors give guarantees not in the commercial interests of the company, not only can they be sued for breach of duties and misfeasance but the guarantees can be set aside. If the transaction results in the company's liabilities exceeding its assets or in its becoming unable to pay its debts as they fall due, then a company creditor could potentially bring an action for unfair preference (as discussed below).

Furthermore, the giving of guarantees by an Irish incorporated company (other than a "private company limited by shares," as defined in the Irish Companies Act 2014 (as amended)) must be exercised in furtherance of its objects and should be specifically expressed in the company's Memorandum and Articles of Association, otherwise, the transaction could be *ultra vires*. Pursuant to the Irish Companies Act 2014 (as amended), a "private company limited by shares" (such as Hertz Fleet Limited), has full and unlimited capacity and the doctrine of ultra vires does not apply to such company.

Liquidation

As an Irish incorporated company, Hertz Fleet Limited may be wound up under Irish law. On a liquidation of an Irish company, certain categories of preferential debts and the claims of secured creditors would be paid in priority to the claims of unsecured creditors. Such preferential debts would comprise, among other things, any amounts owed in respect of local rates and certain amounts owed to the Irish Revenue Commissioners for income/corporation/capital gains tax, VAT, employee taxes, social security and pension scheme contributions and remuneration, salary and wages of employees and certain contractors and the expenses of liquidation and examinership (if any). If Hertz Fleet Limited becomes subject to an insolvency proceeding and if it has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Noteholders, the Noteholders may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular:

- under Irish law, the claims of creditors holding fixed charges may rank behind other creditors (namely fees, costs and expenses of any examiner appointed and certain capital gains tax

liabilities) and, in the case of fixed charges over book debts, may rank behind claims of the Irish Revenue Commissioners for PAYE and VAT;

- under Irish law, for a charge to be characterized as a fixed charge, the charge holder is required to exercise the requisite level of control over the assets purported to be charged and the proceeds of such assets including any bank account into which such proceeds are paid. There is a risk therefore that even a charge which purports to be taken as a fixed charge may take effect as a floating charge if a court deems that the requisite level of control was not exercised;
- floating charges have certain weaknesses, including the following:
  - (i) they have weak priority against chargees who are bona fide purchasers (who are not on notice of any negative pledge contained in the floating charge) and against lien holders, execution creditors and creditors with rights of set-off;
  - (ii) they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;
  - (iii) they rank after certain insolvency officer remuneration expenses and liabilities;
  - (iv) the examiner of a company has certain rights to deal with the property covered by the floating charge; and
  - (v) they rank after fixed charges;
- in an insolvency of Hertz Fleet Limited, the claims of certain other creditors (including the Irish Revenue Commissioners for certain unpaid taxes), as well as those of creditors mentioned above, will rank in priority to claims of unsecured creditors and claims of creditors holding floating charges.

Under Irish insolvency law a liquidator of Hertz Fleet Limited could apply to court to have set aside certain transactions entered into by Hertz Fleet Limited before the commencement of liquidation. Section 604 of the Irish Companies Act 2014 (as amended) provides that any conveyance, mortgage, delivery of goods, payment, execution or other act relating to property made or done by or against a company which is unable to pay its debts as they become due, to any creditor, within six months of the commencement of a winding up of the company, with a view to giving such creditor (or any surety or guarantor of the debt due to such creditor) a preference over its other creditors shall, if the company is at the time of the commencement of the winding-up unable to pay its debts (taking into account the contingent and prospective liabilities), be deemed an unfair preference of its creditors and be invalid accordingly. Where the conveyance, mortgage, delivery of goods, payment, execution or other action is in favor of a connected person the six month period is extended to two years. In addition, any such act in favor of a connected person is deemed a preference over the other creditors and as such to be an unfair preference and invalid accordingly.

Under section 608 of the Irish Companies Act 2014 (as amended), if it can be shown on the application of a liquidator, creditor or contributory of a company which is being wound up to the satisfaction of the Irish High Court that any property of such company was disposed of and the effect of such a disposal was to "perpetrate a fraud" on the company, its creditors or members, the Irish High Court may, if it deems it just and equitable, order any person who appears to have "use, control or possession" of such property or the proceeds of the sale or development thereof to deliver it or pay a sum in respect of it to the liquidator on such terms as the Irish High Court sees fit. In deciding whether it is just and equitable to make an order under section 608, the Irish High Court must have regard to the rights of persons who have bona fide and for value acquired an interest in the property the subject of the application.

Examinership

Examinership is a court procedure available under the Irish Companies Act 2014, as amended to facilitate the survival of Irish companies in financial difficulties. Hertz Fleet Limited, its directors, its shareholders holding, at the date of presentation of the petition, not less than one-tenth of its voting share capital, or a contingent, prospective or actual creditor, are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, he may sell assets which are the subject of a fixed charge. However, if such power is exercised he must account to the holders of the fixed charge for the amount realized and discharge the amount due to them out of the proceeds of sale.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist in the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when at least one class of creditors, whose interests are impaired under the proposals, has voted in favor of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement and the proposals are not unfairly prejudicial to any interested party.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of Hertz Fleet Limited, if the Trustee represented the majority in number and value of claims within the secured creditor class, the Trustee would be in a position to vote against any proposal not in favor of the Noteholders. The Trustee would also be entitled to argue at the High Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Noteholders, especially if such proposals included a writing down to the value of amounts due by the Issuer to the Noteholders.

If, for any reason, an examiner were appointed to Hertz Fleet Limited while any amounts due by the Issuer under the Notes were unpaid, the primary risks to the Noteholders are as follows:

- the Trustee, on behalf of the Noteholders, would not be able to exercise enforcement rights against Hertz Fleet Limited during the period of examinership;
- a scheme of arrangement may be approved involving the writing down of the debt due by Hertz Fleet Limited to the Noteholders irrespective of their views;
- an examiner may seek to set aside any negative pledge in the Notes prohibiting the creation of security or the incurring of borrowings by Hertz Fleet Limited to enable the examiner to borrow to fund Hertz Fleet Limited during the protection period; and
- in the event that a scheme of arrangement is not approved and Hertz Fleet Limited subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of Hertz Fleet Limited and approved by the Irish High Court) and the claims of certain other creditors referred to above (including the Irish Revenue Commissioners for certain unpaid taxes) will take priority over the amounts due by Hertz Fleet Limited to the Noteholders.

Furthermore, a court may order that an examiner shall have any of the powers a liquidator appointed by court would have, which could include the power to apply to have transactions set aside under section 604 of the Irish Companies Act 2014 (as amended) or section 608 of the Irish Companies Act 2014 (as amended).

The Issuer cannot be certain that, in the event of Hertz Fleet Limited becoming insolvent, a Guarantee or any payment under it will not be challenged by a liquidator or examiner or that a court would uphold such Guarantee or payment.

Limitations on Guarantees by Irish Guarantors

In respect of the liabilities and obligations of any Guarantor incorporated in Ireland, no Guarantee will apply to the extent that it would constitute unlawful financial assistance within the meaning of section 82 of the Irish Companies Act 2014 (as amended).

Italy

Under Italian Law the obligations under the Notes and Guarantees of a Guarantor incorporated in Italy are subject to compliance with the rules on corporate benefit and corporate authorization. If the guarantee is being provided in the context of an acquisition, group reorganization or restructuring, financial assistance issues may also be triggered.

An Italian company granting a guarantee must receive a real and adequate benefit in exchange for the guarantee. The concept of real and adequate benefit is not defined in the applicable legislation and is determined on a case by case basis. In particular, in case of upstream and cross-stream guarantees for the financial obligations of group companies, examples include financial consideration in the form of a guarantee fee or access to cash flows in the form of intercompany loans from other members of the group. The general rule is that the risk assumed by an Italian guarantor must not be disproportionate to the direct or indirect economic benefit to that guarantor. Absence of a real and adequate benefit could render the guarantee or the collateral ultra vires and potentially affected by conflict of interest. Thus, civil liabilities may be imposed on the directors of the guarantor if it is assessed that they did not act in the best interest of the guarantor and that the acts they carried out do not fall within the corporate purpose of the guarantor. The lack of corporate benefit could also result in the imposition of civil liabilities on those companies or persons ultimately exercising control over the guarantor or having knowingly received an advantage or profit from such improper control. Moreover, guarantee could be declared null and void if the lack of corporate benefit was known or presumed to be known by the third party and such third party acted intentionally against the interest of the guarantor. In order to enable Italian companies to grant upstream and cross-stream guarantee to secure liabilities of third parties, customary "limitation language" is usually inserted in indentures, credit agreements and guarantees for the purpose of limiting the amount guaranteed by the guarantor to an amount that is proportionate for the direct or indirect economic benefit to the guarantor derived from the transaction.

As to corporate authorizations and financial assistance, the granting of a guarantee by an Italian company must be permitted by the by-laws (*statuto*) of the Italian company and cannot include any liability which would result in unlawful financial assistance within the meaning of article 2358 or 2474, as the case may be, of the Italian civil code pursuant to which, subject to specific exceptions, it is unlawful for a company to give financial assistance (whether by means of loans, security, guarantees or otherwise) to support the acquisition or subscription by a third party of its own shares or quotas or those of any entity that (directly or indirectly) controls the Italian company.

The Indenture will provide that each Guarantor incorporated under the laws of Italy (an "*Italian Guarantor*") will guarantee all obligations arising under the Indenture except that it shall not exceed, at any time, the highest outstanding principal amount at any time (as calculated at that time) of all inter-company loans advanced (or granted) to that Italian Guarantor (or any of its direct or indirect Subsidiaries) by the Issuer or any Guarantor after the date of the Indenture, it being specified that any payment made by such Italian Guarantor under the Indenture or pursuant to the European Revolving Credit Facility and/or the European Vehicle Notes in respect of the obligations of the Issuer or any

other Guarantor shall reduce for a corresponding amount the outstanding amount of the intercompany loans (if any) due by such Italian Guarantor to the Issuer or that Guarantor under the intercompany loan agreements referred to above.

Each Italian Guarantor will be entitled to raise as a defense (*eccezione*) in relation to the relevant intercompany loan granted by the Issuer or any Guarantor to the Italian Guarantor that the payment obligations of such Italian Guarantor under the intercompany loan shall be set-off against its claims of recourse or subrogation (*regresso o surrogazione*) arising as a result of any payment made by such Italian Guarantor under the guarantee given under the Indenture or pursuant to the European Revolving Credit Facility or pursuant to the indenture regulating the European Vehicle Notes (the "*Set-Off Right*").

Any provision establishing a deferral of Guarantors' rights in the Indenture shall not prejudice, and will not apply to, the Set-Off Right.

The obligations of each Italian Guarantor under the Indenture are not exclusive of the obligations of that Italian Guarantor in its capacity as guarantor under the European Revolving Credit Facility and the indenture regulating the European Vehicle Notes and, therefore, the obligations deemed to be assumed by each Italian Guarantor under the Indenture, the European Revolving Credit Facility and the European Vehicle Notes are, in aggregate, limited as set out in the Indenture.

In any event, pursuant to Article 1938 of the Italian Civil Code, the maximum amount that an Italian Guarantor may be required to pay in respect of its obligations as Guarantor under the Indenture shall not exceed 110% of the maximum amount of the Notes.

The guarantee of any Italian Guarantor acceding as an additional Guarantor shall be subject to any limitations relating to that additional Guarantor set out in any relevant accession letter.

Insolvency Proceedings

Certain provisions of Italian law have been amended or have entered into force only recently and, therefore, may be subject to further implementation and/or interpretations and have not been tested to date in the Italian courts. In this respect, the most recent reforms that have been implemented by the Italian government on the main Italian bankruptcy legislation as defined below are: (i) the reform approved on June 23, 2015, through a Law Decree containing urgent reforms applicable, *inter alia,* to Italian bankruptcy law (the "*Decree No. 83*"). The Decree No. 83 entered into force in June 2015 and has been converted into law by Italian Law No. 132 of August 6, 2015, effective August 21, 2015 (the "*Law 132*") and (ii) the amendments implemented by means of the adoption of (a) the Law Decree No. 59 of May 3, 2016 ("*Decree No. 59*"), converted into law by Italian Law No. 119 of June 30, 2016, and (b) Italian Law No. 232 of December 11, 2016 (respectively "*Law 119*" and "*Law 232*").

The two primary aims of Royal Decree No. 267 of March 16, 1942 (the main Italian bankruptcy legislation), as reformed and currently in force (the "*Italian Bankruptcy Law*"), are to liquidate the debtor's assets and protect the goodwill of the going concern (if any) for the satisfaction of creditors' claims as well as, in case of the "*Prodi-bis*" procedure or "*Marzano*" procedure, to maintain employment. These competing aims have often been balanced by selling businesses as going concerns and ensuring that employees are transferred along with the businesses being sold. However, the Italian Bankruptcy Law has recently amended with a view to promoting rescue procedures rather than liquidation focusing on the continuity and survival of financially distressed businesses and enhancing pre-bankruptcy restructuring options.

Under the Italian Bankruptcy Law, bankruptcy must be declared by a court, based on the insolvency (*insolvenza*) of a company upon a petition filed by the company itself, the public prosecutor and/or one or more creditors. Insolvency occurs when a debtor is no longer able to regularly meet its

obligations as they become due. This must be a permanent, and not a temporary, status in order for a court to hold that a company is insolvent.

In cases where a company is facing financial difficulties or temporary cash shortfall and, in general, financial distress, it may be possible for it to enter into out-of-court arrangements with its creditors, which may safeguard the existence of the company, but which are susceptible to being reviewed by a court in the event of a subsequent insolvency, and possibly challenged as voidable transactions.

In addition, the following forms of debt restructuring and bankruptcy are available under Italian law for companies in a state of crisis and for insolvent companies.

Out-of-Court Reorganization Plans (piani di risanamento) Pursuant to Article 67, Paragraph 3(d) of the Italian Bankruptcy Law

Out-of-court debt restructuring agreements are based on restructuring plans (*piani di risanamento attestati*) prepared by companies in order to restructure their indebtedness and to ensure the recovery of their financial condition. An independent expert (who has to meet the requirements set out in Article 67, Paragraph 3(d) of the Italian Bankruptcy Law) appointed by the debtor has to verify the feasibility of the restructuring plan and the truthfulness of the business and accounting data provided by the company, without the need to obtain court approval to appoint the expert. The expert must possess certain specific professional requisites and qualifications and meet the requirements set forth by article 2399 of the Italian civil code and may be subject to liability in case of misrepresentation or false certification.

The terms and conditions of these plans are freely negotiable. Unlike in- court pre-bankruptcy agreement proceedings and debt restructuring agreements, out-of-court reorganization plans pursuant to Article 67, Paragraph 3(d) of the Italian Bankruptcy Law do not offer the debtor any protection against enforcement proceedings and/or precautionary actions of third-party creditors. The Italian Bankruptcy Law provides that, should these plans fail and the debtor be declared bankrupt, the payments and/or acts carried out for the implementation of the reorganization plan, subject to certain conditions (i) are not subject to clawback action and (ii) are exempted from certain potentially applicable criminal sanctions. Neither ratification by the court nor publication in the Companies' Register are needed (although publication in the Companies' Register is possible upon a debtor's request) and, therefore, the risk of bad publicity or disvalue judgments are lower than in case of an in-court pre-bankruptcy agreement or a debt restructuring agreement.

Debt Restructuring Agreements with Creditors (accordi di ristrutturazione dei debiti) Pursuant to Article 182-bis of the Italian Bankruptcy Law

Out-of-court agreements for the restructuring of indebtedness entered into with creditors representing at least 60% of the outstanding company's debts can be ratified by the court. An independent expert appointed by the debtor must assess the truthfulness of the business and accounting data provided by the company and declare that the agreement is feasible and, particularly, that it ensures that the debts of the nonparticipating creditors can be fully satisfied within the following time frames: (i) 120 days from the date of ratification of the agreement by the court, in the case of debts which are due and payable to the nonparticipating creditors as at the date of the sanctioning (*omologazione*) of the debt restructuring agreement by the court; and (ii) 120 days from the date on which the relevant debts fall due, in case of receivables which are not yet due and payable to the nonparticipating creditors as of the date of the sanctioning (*omologazione*) of the debt restructuring agreement by the court. Only a debtor (meeting the requirements to be subject to bankruptcy proceeding (*fallimento*)—see below) who is insolvent or in a state of crisis (*i.e.*, facing distress which does not yet amount to insolvency) can initiate this process and request the court's sanctioning (*omologazione*) of the debt restructuring agreement entered into with its creditors.

The agreement is published in the companies' register and becomes effective as of the day of its publication. Starting from the date of such publication and for 60 days thereafter, creditors cannot start or continue any interim relief or enforcement actions over the assets of the debtor and cannot obtain any security interest (unless agreed) in relation to preexisting debts. Such moratorium can be requested, pursuant to Article 182-*bis*, Paragraph 6 of the Italian Bankruptcy Law, by the debtor to the court pending negotiations with creditors (prior to the above-mentioned publication of the agreement), subject to the fulfillment of certain conditions. Such moratorium request must be published in the companies' register and becomes effective as of the date of publication. The court, having verified the completeness of the documentation, sets the date for a hearing within 30 days of the publication and orders the company to supply the relevant documentation in relation to the moratorium to the creditors. In such hearing, the court assesses whether the conditions for granting the moratorium are in place and, if they are, orders that no interim relief or enforcement action may be started or continued, nor can security interests (unless agreed) be acquired over the assets of the debtor, and sets a deadline (not exceeding 60 days) within which the restructuring agreement has to be filed. The court's order may be challenged within 15 days of its publication. Within the same time frame, an application for the *concordato preventivo* (as described below) may be filed, without prejudice to the effect of the moratorium.

The Italian Bankruptcy Law does not expressly provide for any indications concerning the contents of the debt restructuring agreement. The plan can therefore provide, *inter alia*, either for the prosecution of the business by the debtor or by a third party, or the sale of the business to a third party and may contain, refinancing agreements, moratoria, write-offs and/or postponements of claims. The debt restructuring agreement may also contain a proposed tax settlement for the partial or deferred payment of certain taxes.

Creditors and other interested parties may oppose the agreement within 30 days from the publication of the agreement in the companies' register. The court will, after having settled the oppositions (if any), validate the agreement by issuing a decree, which may be appealed within 15 days of its publication.

Pursuant to the new Article 182-*quinquies* of the Italian Bankruptcy Law, the court, pending the sanctioning (*omologazione*) of the agreement pursuant to Article 182-*bis*, paragraph 1, or after the filing of the instance pursuant to Article 182-*bis*, paragraph 6, and also before the submission of the underlying plan and all relevant documentation, or a petition for a *concordato preventivo*, also pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law (in relation to the court-supervised pre-bankruptcy composition with creditors (*concordato preventivo*) described below) may authorize the debtor (i) to incur in new indebtedness pre-deductible and to secure such indebtedness with in rem security (*garanzie reali*), provided that the expert appointed by the debtor declares the aim of the new financial indebtedness results in a better satisfaction of the creditors, and (ii) to pay debts deriving from the supply of services or goods, already payable and due, provided that the expert declares that such payment is essential for the keeping of company's activities and to ensure the best satisfaction for all creditors.

Furthermore, according to the Article 1 of the Decree No. 83, as amended by Law 132, in case of urgency, the court, pending the sanctioning (*omologazione*) of the agreement pursuant to Article 182-*bis*, paragraph 1, of the Italian Bankruptcy Law or after the filing of the instance pursuant to Article 182-*bis*, paragraph 6, of the Italian Bankruptcy Law or a petition for a *concordato preventivo*, also pursuant to Article 161, paragraph 6, letter (e) of the Italian Bankruptcy Law, the court may authorize the debtor (i) to maintain discount on bills facilities (*linee autoliquidanti*) or (ii) to incur in the above-mentioned new pre-deductible indebtedness aimed at covering urgent needs to carry out the business until the expiry of the term assigned by the court under Article 161, paragraph 6, of the Italian Bankruptcy Law or the hearing for the sanctioning of the agreement pursuant to Article 182-*bis*, paragraph 4, of the Italian Bankruptcy Law or the expiry of the term set out in Article 182-*bis*,

paragraph 7 of the Italian Bankruptcy Law if (a) the purpose of the new facilities is disclosed, (b) the company has no access to alternative financing sources, and (c) the company would suffer imminent and irreparable prejudice to its business should no authorization be granted. The decision should be taken by the court within 10 days from the filing of the application.

In addition, pursuant to the new Article 182-*septies* of the Italian Bankruptcy Law, introduced by the Decree No. 83, as amended by Law 132, if at least 50% of the overall indebtedness of the distressed company is owed to banks and financial intermediaries, the company will be able to split such financial creditors into one or more classes having homogeneous legal rights and economic interest. In such circumstance if all the financial creditors of a class have been informed of the beginning of the negotiations for the debt restructuring agreement and put in the condition to participate to such negotiations in good faith and at least 75% in value of the financial creditors of a class accept the debt restructuring agreement, upon the debtor's request all the nonconsenting creditors pertaining to the same class may be bound by the treatment applicable to their class. However nonconsenting financial creditors cannot be forced to commit new money or advance undrawn commitments or perform new obligations (continuation of financial lease agreement can be imposed). The court before sanctioning the debt restructuring agreement will have to verify certain requirements in addition to the ordinary one, including the satisfaction of the non-consenting financial creditors for an amount which is not lower than the amount achievable through otherwise available alternatives. Non-consenting financial creditors will be entitled to file a petition with the court to oppose to the sanctioning of the debt restructuring agreement by contesting the compliance of the proposed agreement with the applicable legal requirements.

Furthermore, if between a debtor and one or more banks or financial intermediaries is agreed an interim standstill agreement (*convenzione di moratoria*) and the 75% in value of the financial creditors of a class accepts it, the nonconsenting financial creditors pertaining to the same class will be bound by the same standstill regime, provided that they have been informed of the beginning of the negotiations and put in the condition to join the same in good faith and an independent expert certifies that classes have been correctly created. Within 30 days from the company communication of the execution of the interim standstill agreement to the nonconsenting financial creditors, they will be entitled to challenge the application of such agreement to them in front of the court.

Court-Supervised Pre-Bankruptcy Composition with Creditors (concordato preventivo)

A debtor (meeting the requirements to be subject to bankruptcy proceedings (*fallimento*)—see below) which is insolvent or in a situation of crisis, but has not been declared insolvent by the court, has the option to make a composition proposal to its creditors, under court supervision, in order to compose its overall indebtedness and/or reorganize its business, thereby avoiding a declaration of insolvency and the initiation of bankruptcy proceedings. Only the debtor can file a petition with the court for a *concordato preventivo* (together with, *inter alia*, the proposed agreement and an independent expert report assessing the feasibility of the composition proposal and the truthfulness of the business data provided by the company). The petition for *concordato preventivo* is then published by the debtor in the companies' register. From the date of such publication to the date on which the court sanctions the *concordato preventivo*, all enforcement and interim relief actions by the creditors (whose debt arose before the sanctioning of the *concordato preventivo* by the court) are stayed. During this time, all enforcement, precautionary actions and interim measures sought by the creditors, whose title arose beforehand, are stayed. Preexisting creditors cannot obtain security interests (unless authorized by the court) and mortgages registered within the 90 days preceding the date on which the petition for the *concordato preventivo* is published in the companies' register are ineffective against such preexisting creditors.

The composition proposal filed in connection with the petition may provide for: (i) the restructuring of debts and the satisfaction of creditors' claims (including through extraordinary

transactions, such as the granting to creditors and to their subsidiaries or affiliated companies of shares, bonds (including bonds convertible into shares), or other financial instruments and debt securities); (ii) the transfer to a receiver (*assuntore*) of the operations of the debtor company making the composition proposal; (iii) the division of creditors into classes and (iv) different treatment of creditors belonging to different classes. The composition proposal may also contain a proposed tax settlement for the partial or deferred payment of certain taxes. In any case the composition proposal, except for those on a going concern basis (*concordato con continuità aziendale*), must ensure the payment of at least the 20% of the unsecured creditor's claims.

The filing of the petition for the *concordato preventivo* may be preceded by the filing of a preliminary petition for a *concordato preventivo* (so called *concordato in bianco*, pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law as amended by Law Decree No.69 of June 21, 2013, as converted into Italian Law No.98 of August 9, 2013). The debtor company may file such petition along with its financial statements from the latest three financial years and a list of the creditors and respective credits reserving the right to submit the underlying plan, the proposal and all relevant documentation within a period assigned by the court between 60 and 120 days from the date of the filing of the preliminary petition, subject to only one possible further extension of up to 60 days, where there are reasonable grounds for such extension. In advance of such deadline, the debtor may also file a petition for the approval of a debt restructuring agreement (pursuant to Article 182-*bis* of the Italian Bankruptcy Law). The Court, with the decree setting the term set out above, (i) may appoint the judicial commissioner (*commissario giudiziale*) and (ii) shall provide for the periodical information requirements that the debtor has to fulfil. Following the filing of the pre-application and until the decree of admission to the composition with creditors, the debtor may carry out acts pertaining to its ordinary activity and seek the court's authorization, once received the judicial commissioner (*commissario giudiziale*) opinion (if appointed), to carry out acts pertaining to its extraordinary activity, to the extent they are urgent.

Under Article 169-*bis* of the Italian Bankruptcy Law the debtor may request authorization to the court—which will have to hear the debtor's counterparty—for the termination of pending agreements (*contratti ancora ineseguiti o non compiutamente eseguiti*). In case of termination the counterparty will be entitled to an indemnification claim which shall rank unsecured against the company while any receivable arising further to the performance of the agreement after publication of the composition proposal shall benefit from super-seniority in case of liquidation. The debtor may also request the authorization for the suspension of the agreement for no more than 6 months, which may be extended only once. In case of termination of financial leasing agreements, the leasing entity will have the right to the repossession of the leased asset but, in case the market value of the leased asset is higher than the outstanding leasing debt, the difference will have to be paid to the debtor, on the contrary, if it is lower, the relevant claim will rank unsecured against the debtor.

The composition proposal may propose that (i) the debtor's company's business continues to be run by the debtor's company as a going concern, or (ii) the business is transferred or contributed to one or more companies (*concordato con continuità aziendale*). In these cases, the petition for the *concordato preventivo* should fully describe the costs and revenues which are expected as a consequence of the continuation of the business as a going concern, as well as the financial resources and support which will be necessary. The report of the independent expert shall also certify that the continuation of the business is conducive to the satisfaction of creditors' claims to a greater extent than if such composition proposal was not implemented.

Furthermore, the going concern-based arrangements with creditors can provide for, *inter alia*, the winding-up of those assets which are not functional to the business allowed. The composition agreement may also contain a proposed tax settlement for the partial or deferred payment of certain taxes.

The composition proposal may envisage the transfer or lease of the business and/or assets of the debtor to a predetermined purchaser. In such circumstance the court is required to open a public bid process and, in case of more competing bids on better terms than the original binding offer, a bid process shall be carried out by the court in a public hearing. Further to the sale to a bidder other than the original one, the latter shall be released from its original obligation.

If the court determines that the composition proposal is admissible, it appoints a judge (*giudice delegato*) to supervise the procedure, appoints one or more judicial officers (*commissari giudiziali*) and calls a creditors' meeting. During the implementation of the proposal, the company generally continues to be managed by its board of directors, but is supervised by the appointed judicial officers and judge (who shall authorize all transactions that exceed the ordinary course of business).

The *concordato preventivo* is voted on at a creditors' meeting and must be approved by the majority (by value of claims) of the creditors entitled to vote and, where there are different classes of creditors also, by the majority of classes. Creditors who have not voted may notify their objection via telegraph, fax, mail or e-mail to such proposal within 20 days from the closure of the minutes of that creditors' meeting. Secured creditors are not entitled to vote on the proposal of *concordato preventivo* unless and to the extent they waive their security, or the *concordato preventivo* provides that they will not receive full satisfaction of the fair market value of their secured assets (such value being assessed by an independent expert), in which case they can vote only in respect of the part of their debt affected by the proposal. The court may also approve the *concordato preventivo* (notwithstanding the circumstance that one or more classes objected to it) if (i) the majority of classes has approved it, and (ii) the court deems that the interests of the dissenting creditors would be adequately safeguarded through it compared to other solutions. In particular, if an objection to the implementation of the *concordato preventivo* is filed by 20% of the creditors or, in case there are different classes of creditors, by a creditor belonging to a dissenting class, entitled to vote, the court may nevertheless sanction the *concordato preventivo* if it deems that the relevant creditors' claims are likely to be satisfied to a greater extent as a result of the *concordato preventivo* than would otherwise be the case.

No later than 30 days prior to the creditors' meeting for the vote on the *concordato preventivo* proposal, creditors representing at least 10% in value of the overall indebtedness (even if such percentage is reached through purchases made after the date of the filing of the proposal and being understood that receivables towards the distressed company owned by its controlling/controlled/subject to common control entities would not count for such purpose) may present a composition counter-proposal. Such proposal will not be admitted if the independent expert assesses that the debtor's composition proposal provides for the payment of at least 40% (or 30% in relation to composition with going concern) of the unsecured receivables. The creditors presenting the counter-proposal may only vote to the extent they are confined into a separate class under such proposal. The proposal obtaining the higher majority of votes will prevail, being understood that the debtor's original proposal will prevail over a creditors' counter-proposal obtaining the same majority.

After the approval by the creditors' meeting, the court (having settled possible objections raised by the dissenting creditors, if any) confirms the *concordato preventivo* proposal by issuing a confirmation order.

If the creditors' meeting does not approve the *concordato preventivo*, the court may, upon request of the public prosecutor or a creditor, and having decided that the relevant conditions apply, declare the company bankrupt.

Bankruptcy (fallimento)

A request to declare a debtor bankrupt and to commence bankruptcy proceedings (*fallimento*) and the judicial liquidation of the debtor company's assets can be filed by the debtor company itself, any of its creditors and, in certain cases, by the public prosecutor. The bankruptcy is declared by the

competent bankruptcy court. The Italian Bankruptcy Law is applicable only to commercial enterprises (*imprenditori commerciali*) if any of the following thresholds are met (*i.e.*, the debtor has had assets (*attivo patrimoniale*) in an aggregate amount exceeding €0.3 million for each of the three preceding fiscal years, gross revenues (*ricavi lordi*) in an aggregate amount exceeding €0.2 million for each of the three preceding fiscal years and has total indebtedness in excess of €0.5 million). On the commencement of bankruptcy proceedings, amongst other things:

- subject to certain exceptions, all actions of creditors are stayed and creditors must file claims within a defined period. In particular, under certain circumstances secured creditors may enforce against the secured property as soon as their claims are admitted as preferred claims. Secured claims are paid out of the proceeds of the secured assets, together with interest and expenses. Any outstanding balance will be considered unsecured and rank *pari passu* with all of the bankrupt's other unsecured debt. The secured creditor may sell the secured asset only after it has obtained authorization from the designated judge (*giudice delegato*). After hearing the bankruptcy receiver and the creditors' committee, the designated judge decides whether to authorize the sale, and sets forth the timing in its decision;
- the administration of the debtor company and the management of its assets pass from the debtor company to the bankruptcy receiver (*curatore fallimentare*);
- any act of the debtor company done after a declaration of bankruptcy (including payments made) is ineffective against the creditors;
- continuation of business may be authorized by the court if an interruption would cause greater damage to the company, but only if the continuation of the company's business does not cause damage to creditors; and
- the execution of certain contracts and/or transactions pending as of the date of the bankruptcy declaration are suspended until the receiver decides whether to take them over. Although the general rule is that the bankruptcy receiver is allowed to either continue or terminate contracts where some or all of the obligations have not been performed by both parties, certain contracts are subject to specific rules expressly provided for by the Italian Bankruptcy Law.

The bankruptcy proceedings are carried out and supervised by a court- appointed bankruptcy receiver, a deputy judge (*giudice delegato*) and a creditors' committee. The bankruptcy receiver is not a representative of any one of the creditors, but is responsible for the liquidation of the assets of the debtor for the satisfaction of the creditors as a whole. The proceeds from the liquidation are distributed in accordance with statutory priority rights. In this respect, Law 132 amended the relevant provision of the Italian Bankruptcy Law which provides that the receiver shall present the liquidation plan within maximum 180 days from the opening of the liquidation procedure and the liquidation activities shall be concluded within 2 years from the delivery of the judgment opening the bankruptcy proceeding (in case for specific assets a longer deadline is needed, the liquidator shall have to expressly mention the grounds for such a longer deadline). The failure to comply with such timing requirements constitutes good cause for termination of the receiver appointment. The Italian Bankruptcy Law provides for a priority of payment to certain preferential creditors, including employees, the Italian treasury, and judicial and social authorities. Such priority of payment is provided under mandatory provisions of Italian law (as a consequence it is untested and it is unlikely that priority of payments such as those commonly provided in intercreditor contractual arrangements would be recognized by an Italian bankruptcy estate to the extent they are inconsistent with the priorities provided by law).

Bankruptcy Composition with Creditors (concordato fallimentare)

A bankruptcy proceeding can terminate prior to liquidation through a bankruptcy composition proposal with creditors. The proposal can be filed, by one or more creditors or third parties, from the

declaration of bankruptcy. By contrast, the debtor or its subsidiaries are only permitted to file such proposal after one year following such declaration, but within two years following the decree giving effectiveness to the liabilities account (*stato passivo*). Secured creditors are not entitled to vote on the proposal of *concordato fallimentare*, unless and to the extent they waive their security or the *concordato fallimentare* provides that they will not receive full satisfaction of the fair market value of their secured assets (such value being assessed by an independent expert), in which case they can vote only in respect of the part of their debt affected by the proposal.

The proposal may provide for the division of creditors into classes (thereby proposing different treatment among the classes), the restructuring of debts and the satisfaction of creditors' claims in any manner. The *concordato fallimentare* proposal must be approved by the creditors' committee and the creditors holding the majority (by value) of claims (and, if classes are formed, also by a majority (by value) of the claims in a majority of the classes). Final court ratification is also required.

Statutory Priorities

The statutory priority given to creditors under the Italian Bankruptcy Law may be different from that established in the U.S., and certain other EU jurisdictions. Neither the debtor nor the court can deviate from the rules of statutory priority by proposing their own priorities of claims or by subordinating one claim to another based on equitable subordination principles (as a consequence it must be noted that priority of payments such as those commonly provided in intercreditor contractual arrangements may not be enforceable against an Italian bankruptcy estate to the extent they are inconsistent with the priorities provided by law). The rules of statutory priority apply irrespective of whether the proceeds are derived from the sale of the entire bankrupt's estate or part thereof, or from a single asset.

Article 111 of the Italian Bankruptcy Law establishes that proceeds of liquidation shall be allocated according to the following order: (i) for payments of "pre-deductible" claims (*i.e.*, claims expressly classified as such under the provision of law or originated in the context of insolvency proceeding); (ii) for payment of claims which are privileged (*e.g.*, mortgage and pledge); and (iii) for the payment of unsecured creditors' claims.

Avoidance Powers in Insolvency

Under Italian law, there are "clawback" or avoidance provisions that may lead to, *inter alia*, the revocation of payments made or security interests granted by the debtor prior to the declaration of bankruptcy. The key avoidance provisions include, but are not limited to, transactions made below market value, preferential transactions and transactions made with a view to defraud creditors. Clawback rules under Italian law are normally considered to be particularly favorable to the receiver in bankruptcy, compared to the rules applicable in other jurisdictions.

In bankruptcy proceedings, depending on the circumstances, the Italian Bankruptcy Law provides for a clawback period of up to either one year or six months in certain circumstances (please note that in the context of extraordinary administration procedures—see sections below—in relation to certain transactions the clawback period can be extended to five and three years, respectively) and a two-year ineffectiveness period for certain other transactions.

The Italian Bankruptcy Law distinguishes between acts or transactions which are ineffective by operation of law and acts or transactions which are voidable at the request of the bankruptcy receiver/court commissioner, as detailed below.

(a) Acts ineffective by operation of law

(i) Under Article 64 of the Italian Bankruptcy Law, subject to certain limited exceptions, all transactions entered into for no consideration are ineffective *vis-à-vis* creditors if entered into by the debtor in the two-year period prior to the insolvency declaration. Any asset which has been subject to such transactions which is ineffective pursuant to Article 64 of the Italian Bankruptcy Law becomes part of the bankruptcy estate by operation of law upon registration of the declaration of bankruptcy; and

(ii) under Article 65 of the Italian Bankruptcy Law, payments of debts falling due on the day of the declaration of insolvency or thereafter are deemed ineffective *vis-à-vis* creditors if made by the debtor in the two-year period prior to the insolvency declaration.

(b) Acts which could be declared ineffective at the request of the bankruptcy receiver/court commissioner

(i) The following acts and transactions, if done or made during the period specified below, may be clawed back (*revocati*) *vis-à-vis* the bankruptcy as provided for by Article 67 of the above referenced Royal Decree and be declared ineffective unless the other party proves that it had no actual or constructive knowledge of the debtor's insolvency at the time the transaction was entered into

(I) the onerous transactions entered into in the year preceding the insolvency declaration, where the value of the debt or of the obligations undertaken by the debtor exceeds by 25% the value of the consideration received by and/or promised to the debtor;

(II) payments of debts, due and payable, made by the debtor, which were not paid in cash or by other customary means of payment in the year preceding the insolvency declaration;

(III) pledges and mortgages granted by the bankrupt entity in the year preceding the insolvency declaration in order to secure preexisting debts which have not yet fallen due; and

(IV) pledges and mortgages, granted by the bankrupt entity in the six months preceding the insolvency declaration, in order to secure debts which had fallen due.

(ii) The following acts and transactions, if done or made during the period specified below, may be clawed back (*revocati*) and declared ineffective if the bankruptcy receiver proves that the other party knew that the bankrupt entity was insolvent at the time of the act or transaction:

(I) the payments of debts that are immediately due and payable and any onerous transactions entered into or made in the six months preceding the insolvency declaration; and

(II) the granting of security interests securing debts (even those of third parties) which are simultaneously created and made in the six months preceding the insolvency declaration.

(iii) The following transactions are exempt from clawback actions:

(I) a payment for goods or services made in the ordinary course of business and in accordance with market practice;

(II) a remittance on a bank account, provided that it does not reduce the bankrupt entity's debt towards the bank in a material and lasting manner;

(III) a sale, including an agreement for sale registered pursuant to Article 2645-*bis* of the Italian civil code, currently in force, made for a fair value and concerning a residential property that is intended as the main residence of the purchaser or the purchaser's family (within three degrees of kinship) or a nonresidential property that is intended as the main seat of the enterprise of the purchaser, on the condition that, as at the date of the insolvency declaration, such activity is actually exercised or the investments for the start of such activity have been carried out;

(IV) transactions entered into, payments made and security interests granted with respect to the bankrupt entity's assets, provided that they concern the implementation of a *piano di risanamento attestato* (see "*—Out-of-Court Reorganization Plans (Piani di risanamento) Pursuant to Article 67, Paragraph 3(d) of the Italian Bankruptcy Law*");

(V) a transaction entered into, payment made or security interest granted to implement a *concordato preventivo* (see "*—Court-Supervised Pre-Bankruptcy Composition with Creditors (concordato preventivo)*") or an *accordo di ristrutturazione dei debiti* under Article 182-*bis* of the Italian Bankruptcy Law (see "*—Debt Restructuring Agreements with Creditors (accordi di ristrutturazione dei debiti) Pursuant to Article 182-bis of the Italian Bankruptcy Law*") and transactions entered into, payments made and security interests granted after the filing of the application for a *concordato preventivo* (see above);

(VI) remuneration payments to the bankrupt entity's employees and consultants; and

(VII) a payment of a debt that is immediately due, payable and made on the due date, with respect to services necessary for access to *concordato preventivo* procedures.

In addition, in certain cases, the bankruptcy receiver can request that certain transactions of the bankrupt entity be declared without effect *vis-à-vis* the acting creditors within the Italian civil code ordinary clawback period of five years (*revocatoria ordinaria*). Under Article 2901 of the Italian civil code, a creditor may demand that transactions through which the bankrupt entity disposed of its assets to the detriment of such creditor's rights be declared ineffective with respect to such creditor, provided that the bankrupt entity was aware of such detriment (or, if the transaction was entered into prior to the date on which the creditor's claim originated, that such transaction was fraudulently entered into by the debtor in order to cause detriment of such creditor's rights) and that, in the case of a transaction entered into for consideration with a third person, the third person was aware of such detriment (or, if the transaction was entered into prior to the date on which the creditor's claim originated, such third party participated in the fraudulent scheme).

Extraordinary Administration for Large Insolvent Companies (amministrazione straordinaria delle grandi imprese in stato di insolvenza)

An extraordinary administration procedure applies under Italian law for large industrial and commercial enterprises (the *Prodi-bis* procedure). The relevant company must be insolvent, but demonstrating serious recovery prospects. To qualify for this procedure, the company must have employed at least 200 employees in the previous year. In addition, it must have debts equal to at least two-thirds of its assets as shown in its financial statements and two-thirds of its income from sales and services during its last financial year. Either of the creditors, the debtor, a court or the public prosecutor may make a petition to commence an extraordinary administration procedure. The same rules set forth for bankruptcy proceedings with respect to creditors' claims largely apply to extraordinary administration proceedings.

There are two main phases—a judicial phase and an administrative phase.

Judicial Phase

In the judicial phase, the court determines whether the company meets the admission criteria and whether it is insolvent. It then issues a decision to that effect and appoints up to three judicial receivers (*commissiario giudiziale*) to investigate whether the company has serious prospects for recovery via a business sale or reorganization. The judicial receiver files a report with the court within 30 days, and within ten days from such filing, the Italian Productive Activities Minister (the "*Ministry*") may make an opinion on the admission of the company to the extraordinary administration procedure. The court then decides (within 30 days from the filing of the report) whether to admit the company to the procedure or to place it into bankruptcy.

Administrative Phase

Assuming that the company is admitted to the extraordinary administration procedure, the administrative phase begins and an extraordinary commissioner (or commissioners) is appointed by the Ministry. The extraordinary commissioner(s), prepares a plan which can provide for either the sale of the business as a going concern within one year (unless extended by the Ministry) (the "*Disposal Plan*") or a reorganization leading to the company's economic and financial recovery within two years (unless extended by the Ministry) (the "*Recovery Plan*"). If the company operates in the essential public services sector or manages at least one industrial plant of national strategical interest, the Ministry can authorize the extension of a Disposal Plan or of a Recovery Plan up to a maximum of four years. The plan may also include an arrangement with creditors (*e.g.*, a debt for equity swap, an issue of shares in a new company to whom the assets of the company have been transferred, etc.) (*concordato*). The plan must be approved by the Ministry.

The procedure ends upon successful completion of either a Disposal Plan or a Recovery Plan, failing which the company is declared bankrupt.

Industrial Restructuring of Large Insolvent Companies (ristrutturazione industriale di grandi imprese in stato di insolvenza)

Introduced in 2003, the industrial restructuring of large insolvent companies is also known as the "*Marzano*" procedure. It is complementary to the *Prodi-bis* procedure and, except as otherwise provided, the same provisions apply. The Marzano procedure is intended to be faster than the *Prodi-bis* procedure. For example, although a company must be insolvent, the application to the Ministry is made together with the filing to the court for the declaration of the insolvency of the debtor.

The Marzano procedure only applies to large insolvent companies which, on a consolidated basis, have at least 500 employees in the year before the procedure is commenced and at least €300 million of debt. The decision whether to open a Marzano procedure is taken by the Ministry following the debtor's request (who must also file an application for the declaration of insolvency). The Ministry assesses whether the relevant requirements are met and then appoints the extraordinary commissioner(s) who will manage the company. The court decides on the company's insolvency.

The extraordinary commissioner(s) has/have 180 days (or 270 days if the Ministry so agrees) to submit a Disposal Plan or Recovery Plan. The restructuring through the Disposal Plan or the Recovery Plan must be completed within two years. If no Disposal or Recovery Plan is approved by the Ministry, the court will declare the company bankrupt and open bankruptcy proceedings.

Compulsory Administrative Winding-up (liquidazione coatta amministrativa)

A compulsory administrative winding-up (*liquidazione coatta amministrativa*) is only available for certain companies, including, *inter alia*, public interest entities such as state-controlled companies, insurance companies, credit institutions and other financial institutions, none of which can be made

subject to bankruptcy proceedings. It is irrelevant whether these companies belong to the public or the private sector. A compulsory administrative winding-up is a special sort of insolvency proceeding in which the entity is liquidated not by the bankruptcy court, but by the relevant administrative authority that oversees the industry in which the entity is active. The procedure may be triggered not only by the insolvency of the relevant entity, but also on other grounds expressly provided for by the relevant legal provisions. The effect of this procedure is that the entity loses control over its assets and a liquidator (*commissario liquidatore*) is appointed to wind up the company. The liquidator's actions are monitored by a steering committee (*comitato di sorveglianza*). The powers assigned to the designated judge and the bankruptcy court under the other insolvency proceedings are assumed by the relevant administrative authority under this procedure. The effect on creditors of the forced administrative winding-up is largely the same as under bankruptcy proceedings and includes, for example, a ban on enforcement measures. The same rules set forth for bankruptcy proceedings with respect to existing contracts and creditors' claims largely apply to a compulsory administrative winding-up.

Possible Incoming Insolvency Law Reform

On 11 October 2017 the Italian Government has been delegated to enact a revised comprehensive insolvency law, according to the guiding principles set out in Law No. 155/2017, concerning, *inter alia*, the *concordato preventivo* procedures' rules, the judicial liquidation, the insolvency of the groups of companies and the debt's restructuring procedures. It is currently unclear whether, also in light of the national political elections of the next March 2018, such reform will be actually enacted in the coming months. However, the main elements of this reform should be the following:

- **Early warning phase**: it is an out-of-court and confidential procedure aimed at (i) ensuring a rapid analysis of the causes of the economic and financial distress of the company and (ii) leading to an assisted composition with creditors;
- ***Concordato preventivo* new rules**: liquidation *concordato* proceedings are discouraged (as opposed to the *concordato* proceedings on a going concern basis (*concordato con continuità aziendale*)) as they could be used by borrowers only if supported by external financial resources that can ensure at least 20% of the overall amount of unsecured claims;
- **Incentives for debt's restructuring**: 60% threshold under Article 182-*bis* of the Italian Bankruptcy Law should be eliminated or reduced and Article 182-*septies* of the Italian Bankruptcy Law could be used also in relation to non-financial creditors representing at least 75% in value of the relevant creditors;
- **Insolvency of the groups of companies**: a sole procedure should be introduced to deal with the crisis and insolvency of the Italian companies belonging to the same group;
- **New judicial liquidation:** the new bankruptcy procedure that would contemplate:
  a) improvements to the rules governing the appointment of the liquidator (i.e. the new bankruptcy receiver) and the relevant powers;
  b) changes in order to make the assessment of the liabilities quicker;
  c) changes to improve transparency (more disclosure duties for the liquidator, use of websites or other electronic means, etc.):
  d) improved competition in relation to the liquidation of the assets (and potentially make a credit bid easier);
  e) simplified allocations to creditors(the liquidator would not need the judge approval);
  f) creditors committee that may be replaced by electronic consultation with creditors;

g) changes to claw-back rules.

Luxembourg

The granting of guarantees by a company incorporated and existing in Luxembourg must not be prohibited by the corporate object ("*objet social*") and/or legal form of that company.

In addition, there is also a requirement according to which the granting of a guarantee by a Luxembourg company has to be for its corporate benefit.

Although no statutory definition of corporate benefit exists under Luxembourg law, corporate benefit is widely interpreted and includes any transactions from which the company derives a direct or indirect economic or commercial benefit.

The provision of a guarantee for the obligations of direct or indirect subsidiaries is likely to raise no particular concerns, whereas the provision of cross-stream and upstream guarantees may be more problematic.

Failure to comply with the corporate benefit requirement will typically result in liability for the managers of the Luxembourg company if:

- the guarantee so provided would materially exceed the (direct or indirect) benefit deriving from the guaranteed obligations for the Luxembourg company, or
- the Luxembourg company derives no personal benefit or obtains no direct or indirect consideration for the guarantee granted, or
- the commitment provided under the guarantee by the Luxembourg company exceeds its financial means.

In such a case, and further to the criminal and civil liability incurred by the managers of the Luxembourg company, the guarantee could itself be held unenforceable, as its provision would have been contrary to public policy ("*ordre public*").

The above analysis is slightly different within a group of companies where a group interest can be recognized which prevents the guarantee from falling foul of the above constraints, in which case the following criteria must be met:

- the "assisting" company must receive some benefit, or there must be a balance between the respective commitments of all the affiliates;
- the financial assistance must not exceed the assisting company's financial means, in which case it is typical for the guarantee to be limited to an aggregate amount not exceeding 80% to 95% of the obligor's own funds ("*capitaux propres*"); and
- the companies involved must form part of a genuine group operating under a common strategy aimed at a common objective.

As a result, the guarantees granted by a Luxembourg company may be subject to certain limitations, which usually take the form of a general limitation language covering the aggregate obligations and exposure of the relevant Luxembourg obligor under all finance documents (including guarantee agreements) and in the relevant finance document(s).

For the purposes of this transaction, a specific limitation language has been agreed upon between the parties, whereby the aggregate obligations and exposure of any Guarantor incorporated under the laws of the Grand Duchy of Luxembourg (a "*Luxembourg Guarantor*") with respect to the obligations of the Issuer or any Guarantor which is not a Subsidiary of such Luxembourg Guarantor, under any

Guarantee or document creating a security interest shall be limited at any time to an amount not exceeding the greater of:

- any amount(s) directly or indirectly made available to the Luxembourg Guarantor or any of its Subsidiaries under any Guarantee (and which have not yet been repaid by the Luxembourg Guarantor or its Subsidiaries at the date on which the guarantee provided under the Indenture is called upon or enforced) PLUS (ii) ninety percent (90%) of the sum of that Luxembourg Guarantor's net assets ("*capitaux propres*"), as determined pursuant to Article 34 of the Luxembourg law of 19 December 2002 on the register of commerce and companies, accounting and companies annual accounts, as amended (the "*2002 Law*") or, as the case may be, referred to in any law, regulation and accounting standard to which Article 34 refers and its subordinated debts ("*dettes subordonnées*") (as referred to in account 191 of the standard chart of accounts attached to the Grand-Ducal Regulation dated June 10, 2009 setting out the form and content of a standard chart of accounts, as the same may be amended or replaced), as reflected in its latest annual accounts available as at the date any guarantee or security interest provided under and pursuant to any Guarantee or document creating a security interest is called upon or any guarantee or security interest created under and pursuant to any Guarantee or document creating a security interest is enforced; or
- any amount(s) directly or indirectly made available to the Luxembourg Guarantor or any of its Subsidiaries under any Guarantee (and which have not yet been repaid by the Luxembourg Guarantor or its Subsidiaries at the date on which the guarantee provided under the Indenture is called upon or enforced) PLUS (ii) ninety percent (90%) of the sum of that Luxembourg Guarantor's net assets ("*capitaux propres*"), as determined pursuant to Article 34 of the 2002 Law or, as the case may be, referred to in any law, regulation and accounting standard to which Article 34 refers and its subordinated debts ("*dettes subordonnées*") as referred to in account 191 of the standard chart of accounts attached to the Grand-Ducal Regulation dated June 10, 2009 setting out the form and content of a standard chart of accounts as the same may be amended or replaced), as reflected in its last annual accounts available as at the date of the Indenture.

Insolvency

In the event where a Guarantor incorporated in Luxembourg would become insolvent, insolvency proceedings may be initiated in Luxembourg to the extent that the Guarantor has its principal establishment or its centre of main interests in Luxembourg. Such proceedings would then be governed by Luxembourg law. Under certain limited circumstances, Luxembourg law also allows secondary bankruptcy proceedings to be opened in Luxembourg over the assets of companies that are not established in Luxembourg.

There are three statutory insolvency proceedings under Luxembourg law: bankruptcy proceedings ("*faillite*"), controlled management ("*gestion contrôlée*") and composition proceedings ("*concordat préventif de la faillite*"). Controlled management and composition proceedings are formal corporate rescue procedures, while the purpose of bankruptcy proceedings is to realize the assets of the company, distribute the proceeds to its creditors and wind up the company.

A company in financial difficulty may instead seek to reach an informal contractual agreement with its creditors to reorganize its financial position or to restructure its business (non-statutory proceedings). On the basis of articles 593ff. of the Commercial Code, the company may also apply to court to suspend payment of its debts ("*sursis de paiement*").

Bankruptcy proceedings, controlled management, composition proceedings and "*sursis de paiement*" are available to all types of Luxembourg companies with a commercial corporate object. Special regimes apply for entities including, but not limited to, financial institutions and insurance companies. The commencement of any procedure, other than bankruptcy, does not preclude the court from

declaring the company bankrupt (including on the court's own motion), if the legal conditions for bankruptcy are met.

Bankruptcy ("faillite")

A company may enter into bankruptcy proceedings if it has ceased making payments (*i.e.*, it is no longer able to repay its debts as they fall due) ("*cessation des paiements*") and its creditworthiness has been impaired ("*ébranlement du crédit*") (for example, the company is no longer able to obtain credit). In other words, the company must be insolvent under a cash flow test (as opposed to a balance sheet test).

Bankruptcy proceedings may be opened by the company or a creditor of the company by filing a declaration of insolvency (in the case of the company) or an application for bankruptcy (in the case of a creditor) with the commercial court in the district in which the company has its principal place of business. Alternatively, the court may order bankruptcy proceedings on the proposal of the public prosecutor representing the state.

If the court declares a company bankrupt, it will appoint a receiver ("*curateur*") (or several receivers, depending on the complexity of the proceedings) and a judge ("*juge-commissaire*") to supervise the insolvency proceedings. The receiver will realize the company's assets and distribute the proceeds to the company's creditors in accordance with the statutory order of payment and (if there are any funds left) the company's shareholders. The receiver must notify creditors of the date by which they must file claims with the clerk of the court. The period within which creditors must file their claims is specified in the published judgment declaring the company bankrupt. All preferential, secured, and unsecured creditors of the bankruptcy company are required to lodge details of their claims in writing up to one month after receiving the notice. The receiver will need to obtain court permission for certain acts, such as agreeing settlement of claims or deciding to pursue the business of the company during the bankruptcy proceedings.

The receiver takes over the management and control of the company in place of the directors. The receiver represents the company on the one hand and, on the other, the creditors collectively ("*masse des créanciers*"). Contracts of the company are not automatically terminated on commencement of bankruptcy proceedings, save for contracts for which the identity or solvency of the company is crucial ("*intuitu personae*" agreements) (*e.g.* a power of attorney). However, certain contracts are terminated automatically by law, such as employment contracts, unless expressly confirmed by the receiver. Contractual provisions purporting to terminate a contract upon bankruptcy are valid. The receiver may choose to terminate contracts of the company.

Bankruptcy proceedings typically last approximately at least one year and, in practice, often last for several years in complex situations. Bankruptcy is governed by public policy and strict regulations, which generally delay the bankruptcy proceedings and any restructuring of the group to which the bankrupt company belongs. On closing of the bankruptcy proceedings, the company will typically be dissolved.

Controlled Management ("gestion contrôlée")

A company may enter into controlled management proceedings in order to resolve its financial difficulties under the supervision of the court and with the approval of the creditors, without being declared bankrupt.

The company must have lost its creditworthiness or be experiencing difficulties in meeting all its financial commitments. The procedure is not available if the company has already been declared insolvent by the court. Also, the company must be acting in good faith, so fraud or irregularities in the management of the business may, in practice, mean that the procedure is not available to the company.

Controlled management proceedings may only be applied for by the company.

If the court commences controlled management proceedings, it will appoint one or more commissioners. The commissioners prepare composition proposals, which may involve a reorganization plan or a plan for the realization and distribution of the company's assets. Creditors must lodge their claims in order to be included in the plan and have the right to vote on it. The plan must be approved by a majority in number of all the creditors representing more than 50% in value of all claims. The court must also approve the plan.

The company's business activities continue during the controlled management procedure and the directors of the company remain in control of the business. However, the commissioners supervise the operation of the business. In particular, the company can no longer dispose of, or grant security over, its assets without authorization. Business continuity is maintained as existing contracts of the company are not automatically terminated by reason of the commencement of controlled management proceedings.

Controlled management proceedings end when either the plan is complete or the company is declared bankrupt. Proceedings are not frequently applied for and granted in practice but would probably last between one year and three years.

If an application to commence controlled management proceedings is dismissed, the court may commence bankruptcy proceedings if the conditions for bankruptcy are met.

Composition in Order to Avoid Bankruptcy ("condordat préventif de la faillite")

A company may enter into composition proceedings ("*concordat préventif de la faillite*") in order to resolve its financial difficulties by entering into an agreement with its creditors, the purpose of which is to avoid bankruptcy. The agreement is made under the control, and with the approval of, the court.

Composition proceedings may only be applied for by a company which is in financial difficulty.

As with the controlled management procedure, this procedure is not available if the company has already been declared insolvent by the court or if the company is acting in bad faith.

The application to open composition proceedings must be supported by a majority in number of the company's unsecured creditors, representing three quarters in value of the outstanding unsecured amounts. If the court commences composition proceedings, the composition will be binding on all unsecured creditors. The composition is not binding on secured creditors unless they choose to vote on the composition. A judge is appointed to oversee the negotiation of an agreement between the company and its creditors. The agreement may take various forms. For example, it may consist of an extension of time for the payment of debts or for the payment of debts by installments.

The company's business activities continue during the composition proceedings. While the composition is being negotiated, the company may not dispose of, or grant any security over, any assets without the approval of the judge. Once the composition has been agreed, this restriction is lifted. However, the company's business activities will still be supervised by the judge.

Composition proceedings are rarely used in practice since they are not binding upon secured creditors.

Suspension of Payments ("sursis de paiement")

A company may voluntarily propose an informal contractual arrangement with its creditors to restructure or reschedule its debts.

The purpose of the reprieve from payment is to allow a business undertaking experiencing financial difficulties to suspend its payments for a limited time. Reprieve from payment acknowledges

and ratifies, by means of court judgment, an agreement which has been reached with the creditors of the undertaking.

The reprieve from payment is, however, not of general application—one of the main reasons why it has lost its attractiveness. It only applies to those liabilities which have been assumed by the debtor prior to obtaining the reprieve from payment and has no effect as far as taxes and other public charges or secured claims (by right of priority, a mortgage or a pledge) are concerned.

Bankruptcy

Bankruptcy imposes a moratorium on unsecured creditors taking action against the company to recover debts owed. However, secured creditors are entitled to take action against the company to enforce security. The receiver is entitled to recover the pledged assets by paying the debt owed to the pledgee. If the proceeds of sale are insufficient to repay the debt owed to the secured creditor, such secured creditor will be treated as a non-privileged (*i.e.* unsecured) creditor for the balance of its claim.

Certain transactions which took place within a specified period known as the "suspect period" ("*période suspecte*") prior to the date that the court declares the company bankrupt may be set aside. The suspect period is determined by the court and, generally, may be no more than six months from the date on which the company is declared bankrupt. These transactions include:

- Specified transactions: Transactions specified in Article 445 of the Commercial Code entered into during the suspect period (or in the 10 preceding days) must be set aside. These transactions include:
  - (i) the transfer of movable or immovable properties or assets without consideration or for a consideration materially lower than the value of such assets;
  - (ii) the payments of debts or liabilities which are not become due whether in cash or by way of assignment, sale, set-off or by any other means (other than set-off arrangements governed by the Law on financial collateral arrangements);
  - (iii) the payments of debts or liabilities which are become due by any means other than cash or bills of exchange; and
  - (iv) the grant of security interests for pre-existing debts (other than security interests over cash and/or financial instruments (including, without limitation debt and equity securities and other instruments equivalent to shares, units in companies and undertakings for collective investment and claims and receivables which are to be governed by the Law of financial collateral arrangements)).
- Transactions where the counterparty was aware of the company's insolvency/cessation of payments: Certain transactions entered into during the suspect period may be set aside where the counterparty was aware of the company's insolvency and/or its cessation of payments. Such transactions are set out in Article 446 of the Commercial Code and include payments of matured debts and transactions entered into for consideration.
- Fraudulent transactions: Fraudulent transactions entered into at any time prior to the declaration of bankruptcy may be set aside (*i.e.*, whether or not entered into during the suspect period) under Article 448 of the Commercial Code and Article 1167 of the Civil Code ("*actio pauliana*")).

Controlled Management

During the controlled management procedure (*i.e.*, from the date the application is filed to the date on which the commissioner's plan is approved by the court), there is a moratorium on creditors,

whether secured or unsecured (other than those with security interest governed by the Law on financial collateral arrangements), taking action to enforce their rights against the company. Once the plan is approved, the creditors are bound by the terms and conditions of the plan.

Fraudulent transactions which took place before the date on which the court commenced controlled management proceedings, may be set aside as described above.

Composition

While the composition is being negotiated, unsecured creditors may not take action against the company to recover their claims. Secured creditors who do not participate in the composition proceedings may take action against the company to recover their claims and to enforce their security.

Fraudulent transactions which took place before the date on which the court commenced composition proceedings, may be set aside as described above.

Recognition and Enforcement of Judgments

We have been advised by our Luxembourg counsel that the U.S. and Luxembourg are not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. According to such counsel, an enforceable judgment for the payment of monies rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon the U.S. securities laws, would not directly be enforceable in Luxembourg. However, a valid judgment against a Luxembourg company with respect to the Notes obtained from a court of competent jurisdiction in the U.S., which judgment remains in full force and effect after all appeals as may be taken in the relevant U.S. state or federal jurisdiction with respect thereto have been taken, may be entered and enforced through a court of competent jurisdiction of Luxembourg subject to compliance with the enforcement procedures (*exequatur*) set forth in Articles 678 *et seq.* of the Luxembourg New Code of Civil Procedure (*Nouveau Code de Procédure Civile*). The district court will authorize the enforcement in Luxembourg of the U.S. judgment if it is satisfied that all of the following conditions are met:

- the U.S. judgment is final and enforceable (*exécutoire*) in the U.S.;
- the U.S. court awarding the judgment has jurisdiction to adjudicate the respective matter under applicable U.S. federal or state jurisdictions rules, and the jurisdiction of the U.S. court is recognized by Luxembourg private international law;
- the U.S. court has applied to the dispute the substantive law designated by Luxembourg and U.S. conflict of law rules;
- the U.S. judgment does not contravene international public policy or public order as understood under the laws of Luxembourg;
- the U.S. court has acted in accordance with its own procedural laws;
- the principles of natural justice have been complied with and the judgment was granted following proceedings where the counterparty had the opportunity to appear, was granted the necessary time to prepare its case and if appeared, to present a defense;
- the U.S. judgment was granted following proceedings where the counterparty had the opportunity to appear, and if it appeared, to present a defense; and
- the U.S. judgment was not granted pursuant to an evasion of Luxembourg law (*fraude à la loi luxembourgeoise*).

Subject to the above conditions, Luxembourg courts tend not to review the merits of a foreign judgment, although there is no statutory prohibition for such review. If an original action is brought in Luxembourg, Luxembourg courts may refuse to enforce any choice of law provisions if the application of such law would contravene, or is manifestly incompatible with, Luxembourg public policy. In a judgment of the Luxembourg District Court, dated January 10, 2008, the District Court differed slightly from the traditional rules for enforcing a judgment described above, and decided that, in order to enforce a foreign judgment in Luxembourg, a Luxembourg judge must make sure that three conditions are fulfilled: (1) the "indirect" competence of the foreign judge based on the connection of the litigation with such judge, (2) the conformity with international public policy requirements, both substantive and procedural, and (3) the absence of fraud to the law. In the judgment, the District Court held that the Luxembourg judge does not need to verify that the (substantive) law applied by the foreign judge is the law which would have been applicable according to Luxembourg conflict of law rules.

Whether the District Court's opinion described above will develop into the prevailing position of Luxembourg case law cannot be forecast with certainty at this stage, especially considering that in the case at issue the matter was not appealed to the Court of Appeal and because, to the best of our knowledge and belief, having taken all reasonable care to ensure that such is the case, there has been no further case law on the issue since then. To the extent, however, that the District Court's decision endorsed the solution prevailing in French case law, its decision might, in the future, be endorsed by the Luxembourg courts in general. Further, in the event of any proceedings being brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than euro, a Luxembourg court would have power to give judgment expressed as an order to pay a currency other than euro. However, enforcement of the judgment against any party in Luxembourg would be available only in euro and for such purposes all claims or debts would be converted into euro. Even if a U.S. judgment is recognized in Luxembourg, it does not necessarily mean that it will be enforced in all circumstances. The obligations need to be of a specific kind and type for which an enforcement procedure exists under Luxembourg law. Also, if circumstances have arisen after the date at which such foreign judgment became legally effective and final, a defense against execution may arise. Enforcement is also subject to the effect of any applicable bankruptcy, insolvency, reorganization, liquidation, moratorium as well as other similar laws affecting creditor's rights generally. Moreover, a Luxembourg court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages. In addition, it is doubtful whether a Luxembourg court would accept jurisdiction and impose civil liability in an original action predicated solely upon U.S. federal securities laws.

LISTING AND GENERAL INFORMATION

1. Application will be made to The International Stock Exchange Authority Limited for the Notes to be listed on the Official List of the Exchange. Neither the admission of the Notes to the list of securities admitted to listing on the Official List of the Exchange nor the approval of this offering memorandum pursuant to the listing requirements of The International Stock Exchange Authority Limited shall constitute a warranty or representation by The International Stock Exchange Authority Limited as to the competence of the service providers to, or any other party connected with, the Issuer, the adequacy and accuracy of information contained in this offering memorandum or the suitability of the Issuer for investment or for any other purposes.

2. Except as set out below, the Issuer accepts responsibility for the information contained in this offering memorandum and, to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this offering memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

3. The Notes are only intended to be offered in the primary market to, and held by, investors who are particularly knowledgeable in investment matters.

4. The following documents shall be deemed to be incorporated in, and to form part of, the listing document for the purposes of listing the Notes on the Official List of the Exchange:

(a) the last audited consolidated annual financial statements of the Parent Guarantor incorporated by reference in this offering memorandum;

(b) the Indenture; and

(c) all amendments and supplements to this offering memorandum prepared by the Issuer from time to time.

5. The Issuer has appointed Carey Olsen Corporate Finance Limited as listing agent in connection with the listing of the Notes on the Official List of the Exchange. Carey Olsen Corporate Finance Limited's business address is 47 Esplanade, St. Helier, Jersey JE1 0BD, Channel Islands.

6. For a period of 14 days from the date of listing, copies of the Issuer's Articles of Association, this offering memorandum and any amendments or supplements thereto, may be inspected and obtained at the registered office of the Issuer during normal business hours on any weekday.

7. The Issuer was incorporated in the Netherlands on January 9, 1979 with registered number 24134976, and its registered address is Siriusdreef 62, 2132 WT Hoofddorp, The Netherlands.

8. There are no litigation or arbitration proceedings against or affecting the Issuer or any of its assets or revenues, nor is the Issuer aware of any pending or threatened proceedings of such kind, which would reasonably be expected to have, or which have had in the recent past (covering at least the previous 12 months), a significant effect on the Issuer's financial position.

9. Since the last audited consolidated annual financial statements of the Parent Guarantor, incorporating the Issuer, there have been no material adverse changes to:

(a) the Issuer;

(b) the Issuer's group structure;

(c) the Issuer's business or accounting policies; or

(d) the financial or trading position of the Issuer.

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