

HERTZ GLOBAL HOLDINGS INC  
Form PRE 14A  
March 31, 2014

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**HERTZ GLOBAL HOLDINGS, INC.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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    - (1) Amount Previously Paid:
    - (2) Form, Schedule or Registration Statement No.:
    - (3) Filing Party:
    - (4) Date Filed:
-

**Notice of  
Annual Meeting  
of Stockholders  
and Proxy  
Statement  
May 14, 2014**

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Hertz Global Holdings, Inc.  
999 Vanderbilt Beach Rd.  
Naples, FL 34108

April [ ], 2014

Dear Stockholder:

You are cordially invited to attend our annual meeting of stockholders to be held at 10:30 a.m. (Naples time) on Wednesday, May 14, 2014, at The Ritz Carlton, Naples, 280 Vanderbilt Beach Rd., Naples, Florida 34108.

Your vote is important. Please vote as promptly as possible. Whether you plan to attend the annual meeting or not, you may vote by following the instructions set forth in the this proxy statement or as set forth in the proxy card. If you attend the annual meeting, you may vote in person.

Registration and seating will begin at 10:00 a.m. (Naples time). In order to be admitted to the annual meeting, a stockholder must present proof of stock ownership as of the close of business on the record date, March 21, 2014, which can be a proxy card or a brokerage statement reflecting stock ownership as of March 21, 2014. Stockholders will be asked to sign an admittance card and must also present a form of photo identification such as a driver's license. Cameras and recording devices will not be permitted at the annual meeting.

Sincerely,

Mark P. Frissora  
Chairman and Chief Executive Officer



**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
OF HERTZ GLOBAL HOLDINGS, INC.**

- Time and Date:** 10:30 a.m. (Naples time), Wednesday, May 14, 2014  
**Place:** The Ritz Carlton, Naples, 280 Vanderbilt Beach Rd., Naples, Florida 34108  
**Proposals:**
1. Election of the three nominees identified in the accompanying proxy statement to serve as directors for three-year terms;
  2. Approval, by a non-binding advisory vote, of the named executive officers' compensation;
  3. Approval of an amendment to our amended and restated certificate of incorporation to provide for the annual election of directors;
  4. Approval of a potential amendment to our amended and restated certificate of incorporation to effect a reverse stock split and authorize our board of directors to select the ratio of the reverse stock split as set forth in the amendment;
  5. Ratification of the selection of PricewaterhouseCoopers LLP as the Corporation's independent registered public accounting firm for the year 2014; and
  6. Transaction of any other business that may properly be brought before the annual meeting.

*The Board of Directors of the Corporation recommends a vote **FOR** each of Proposals 1-5.*

**Who Can Vote:** Only holders of record of the Corporation's common shares at the close of business on March 21, 2014 will be entitled to vote at the meeting. You may vote with respect to the matters described in the proxy statement by following the instructions set forth in this proxy statement or as set forth in the proxy card.

**Date of Mailing:** This proxy statement and accompanying materials were filed with the Securities and Exchange Commission on April [ ], 2014, and we expect to first send the proxy statement and annual report to stockholders on April [ ], 2014.

J. Jeffrey Zimmerman  
*Executive Vice President, General Counsel and Secretary*

Naples, Florida  
April [ ], 2014



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PROXY PROCEDURES AND INFORMATION ABOUT THE ANNUAL MEETING

**IMPORTANT INFORMATION ABOUT ANNUAL  
MEETING AND PROXY PROCEDURES**

The Board of Directors of Hertz Global Holdings, Inc. is soliciting proxies to be used at the annual meeting of stockholders to be held on Wednesday, May 14, 2014, beginning at 10:30 a.m. (Naples time) at The Ritz Carlton, Naples, 280 Vanderbilt Beach Rd., Naples, Florida 34108. This proxy statement and accompanying materials were filed with the Securities and Exchange Commission (the "SEC") on April [ ], 2014, and we expect to first send the proxy statement and annual report to stockholders on April [ ], 2014.

*Unless the context otherwise requires, in this proxy statement (i) the "Corporation" means Hertz Global Holdings, Inc., (ii) "Hertz" means The Hertz Corporation, our primary operating company and a direct wholly-owned subsidiary of Hertz Investors, Inc., which is wholly owned by the Corporation, (iii) "we," "us" and "our" mean the Corporation and its consolidated subsidiaries, (iv) "our Board" or "the Board" means the Board of Directors of the Corporation and (v) "our common stock" means the common stock of the Corporation.*

**Purpose of the Annual Meeting**

At the annual meeting, stockholders will act upon the matters set forth below, including:

1. Election of the three nominees identified in this proxy statement to serve as directors for three-year terms;
2. Approval, by a non-binding advisory vote, of the named executive officers' compensation;
3. Approval of an amendment to our amended and restated certificate of incorporation to provide for the annual election of directors;
4. Approval of a potential amendment to our amended and restated certificate of incorporation to effect a reverse stock split and authorize our board of directors to select the ratio of the reverse stock split as set forth in the amendment;
5. Ratification of the selection of PricewaterhouseCoopers LLP as the Corporation's independent registered public accounting firm for the year 2014; and
6. Transaction of any other business that may properly be brought before the annual meeting.

The Corporation's senior management will also present information about the Corporation's performance during 2013 and will answer questions from stockholders.

**Stockholders Entitled to Vote at the Annual Meeting**

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Our Board has established the record date for the annual meeting as March 21, 2014. Only holders of record of the Corporation's common stock at the close of business on the record date are entitled to vote at the annual meeting. On March 21, 2014, the Corporation had 447,693,207 shares of common stock outstanding.

### **Voting Procedures**

If you are a stockholder of record, you may vote as follows:

**Voting by Internet:** Follow the instructions on [www.investorvote.com/HTZ](http://www.investorvote.com/HTZ)

**Voting by Telephone:** Call 1-800-652-8683 and follow the instructions provided by the recorded message

**Voting by Mail:** Complete, sign and date the proxy card included in the printed proxy materials

**Voting in Person:** See the procedures for voting in person below

*Hertz Global Holdings, Inc. 2014 Proxy Statement* 1

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The presence, in person or by proxy, of the holders of a majority of the shares entitled to vote at the annual meeting constitutes a quorum. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a nominee, such as a broker holding shares in "street name" for a beneficial owner, does not vote on a proposal because that nominee does not have discretionary voting power with respect to a proposal and has not received instructions from the beneficial owner.

If you are a holder of shares held in street name, and you would like to instruct your broker how to vote your shares, you should follow the directions provided by your broker. Under New York Stock Exchange ("NYSE") rules, your broker is permitted to vote on proposal 5 even if it does not receive instructions from you. However, under NYSE rules, your broker does not have discretion to vote on any other proposal if it does not receive instructions from you.

Each share of common stock is entitled to one vote and stockholders do not have the right to cumulate their votes for the election of directors or any other matter. Unless a stockholder gives instructions to the contrary, proxies will be voted in accordance with the Board's recommendations.

#### **Revocation of Proxies**

Even if you voted by telephone or on the Internet, or if you requested paper proxy materials and signed

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PROXY PROCEDURES AND INFORMATION ABOUT THE ANNUAL MEETING

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the proxy card, you may revoke your proxy before it is voted at the annual meeting by delivering a signed revocation letter to J. Jeffrey Zimmerman, Executive Vice President, General Counsel and Secretary. You may also revoke your proxy by submitting a new proxy, dated later than your first proxy, or by a later-dated vote by telephone or on the Internet. If you are attending in person and have previously mailed your proxy card, you may revoke your proxy and vote in person at the annual meeting. Your attendance at the annual meeting will not by itself revoke your proxy. If you are a holder of shares held in street name by your broker and you have previously directed your broker to vote your shares, you should instruct your broker to change or revoke your vote if you wish to do so. If you are a holder of shares held in street name by your broker and wish to cast your vote in person at the annual meeting, you should obtain a proxy to vote your shares from your broker.

**Solicitation of Proxies**

Proxies may be solicited on behalf of our Board by mail or telephone, on the Internet or in person, and Hertz will pay the solicitation costs on behalf of the Corporation. Georgeson Inc. has been retained by Hertz to facilitate the distribution of proxy materials at a fee of approximately \$[ ] plus distribution costs and other costs and expenses.

**Additional Information**

The Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 is filed with the SEC and may also be obtained via a link posted on the "Investor Relations" portion of our website, [www.hertz.com](http://www.hertz.com). Copies of the Form 10-K for the fiscal year ended December 31, 2013, or any exhibits thereto, will be sent within a reasonable time without charge upon written request to Hertz Global Holdings, Inc., 999 Vanderbilt Beach Rd., Naples, Florida, 34108 Attention: Corporate Secretary.

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CORPORATE GOVERNANCE

**CORPORATE GOVERNANCE AND GENERAL INFORMATION CONCERNING  
THE BOARD AND ITS COMMITTEES**

**Corporate Governance**

Our business is managed under the direction of our Board. Our Board is committed to good corporate governance and promoting the long-term interests of our stockholders by adopting structures, policies and practices which we believe promote responsible oversight of management.

**Board Independence**

Our Board has determined that all of our directors, other than Mr. Frissora, are "independent" as defined in the federal securities laws and applicable NYSE rules for service on our Board. The standards for determining director independence are specified in Annex A to our Corporate Governance Guidelines.

In recommending to the Board that each of the independent directors be classified as independent, the Nominating and Governance Committee also considered whether there were any facts or circumstances that might impair the independence of each of those directors. In particular, the Nominating and Governance Committee considered that the Corporation in the ordinary course of business provides products and services to and purchases products and services from companies at which some of our directors serve. In each case: (i) the relevant products and services were provided on terms and conditions determined on an arms-length basis and consistent with those provided by or to similarly situated customers and suppliers; (ii) the relevant director did not initiate or negotiate the relevant transaction, each of which was in the ordinary course of business of both companies; and (iii) the aggregate amounts of such purchases and sales were less than 2% of the consolidated gross revenues of each of the Corporation and the other company in each of the years 2013, 2012 and 2011.

**Board Meetings and Annual Meeting Attendance**

Our Board held 8 meetings in 2013. Each of our directors attended 75% or more of the total number of meetings of our Board held during the period in which he or she was a director and the total number of meetings held by all Board committees on which he or she served. We do not have a policy with regard to directors' attendance at our annual meeting. All of our directors, except for one former director, attended the 2013 annual meeting.

**Board Committees**

Our Board has four standing committees – the Audit Committee, the Compensation Committee, the Nominating and Governance Committee and the Executive and Finance Committee (the "Finance Committee"). In 2013, we revised our committee structure by assigning (i) the nominating and governance functions held by our former Compensation, Nominating and Governance Committee ("CN&G Committee") to the Nominating and Governance Committee and (ii) the compensation functions held by our former CN&G Committee to the Compensation Committee. We revised our committee structure as a result of the sale of our common stock by certain investment funds associated with Clayton, Dubilier & Rice, LLC, The Carlyle Group and Merrill Lynch & Co., Inc. (the "Sponsors"), our Board's desire for specialized compensation and governance oversight functions and to align our governance structure with similar companies of our size and complexity. In addition to the creation of the separate a separate Compensation Committee and Nominating and Governance Committee, our Board assigned certain financial oversight matters to our Finance Committee.



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Each committee has a written charter and each charter is available without charge on the "Investor Relations Corporate Governance Overview" portion of our website, [www.hertz.com](http://www.hertz.com). Each member of the Audit Committee, Compensation Committee and Nominating and Governance Committee meets the independence and eligibility standards necessary for service on such committee pursuant to relevant securities laws, NYSE rules and our Corporate Governance Guidelines. Our Board has designated each of the four members of our Audit Committee "audit committee financial experts" and each has been determined to be "financially literate" under NYSE rules.

**Membership, Meetings and Roles and Responsibilities of the Board Committees**

*Audit Committee*

**Members**

**Roles and Responsibilities of the Audit Committee**

Berquist (Chair)  
Durham  
Koehler  
Wolf

Oversees our accounting, financial and external reporting policies and practices as well as the integrity of our financial statements.

**Number of 2013 Meetings**

8

Monitors the independence, qualifications and performance of our independent registered public accounting firm.

Oversees the performance of our internal audit function, the management information system and operational policies and practices that affect our internal controls.

Monitors our compliance with legal and regulatory requirements.

Reviews our guidelines and policies and the commitment of internal audit resources, in each case as they relate to risk management and the preparation of our Audit Committee's report included in our proxy statements.

*Compensation Committee*



**Members**

**Roles and Responsibilities of the Compensation Committee**

Beracha (Chair)  
Berquist  
Everson  
Fayne Levinson  
Tamke

Oversees our compensation and benefit policies generally.

**Number of 2013  
Meetings**

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Evaluates the performance of our CEO as related to all elements of compensation, as well as the performance of our senior executives.

5

Approves and recommends to our Board all compensation plans for our senior executives.

Approves the short-term compensation and grants to our senior executives under our incentive plans (both subject, in the case of our CEO, if so directed by the Board, to the final approval of a majority of independent directors of our Board).

Prepares reports on executive compensation required for inclusion in our proxy statements.

Reviews our management succession plan.

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CORPORATE GOVERNANCE

*Nominating and Governance Committee*

**Members**

**Roles and Responsibilities of the Nominating and Governance Committee**

Fayne Levinson  
(Chair)  
Durham  
Kelly-Ennis  
Koehler

Assists our Board in determining the skills, qualities and eligibility of individuals recommended for membership on our Board.

**Number of 2013  
Meetings**

5

Reviews the composition of our Board and its committees to determine whether it may be appropriate to add or remove individuals.

Reviews and evaluates directors for re-nomination and re-appointment to committees.

Reviews and assesses the adequacy of our Corporate Governance Guidelines, Standards of Business Conduct and Directors' Code of Conduct.

Reviews and recommends to the Board the form and amount of compensation paid to directors.

*Finance Committee*

**Members**

**Roles and Responsibilities of the Finance Committee**

Tamke (Chair)  
Beracha  
Frissora  
Laffont  
Wolf

Reviews and provides guidance to the Board and the Corporation's management concerning the Corporation's strategies, plans, policies and actions related to corporate finance.

**Number of 2013  
Meetings**

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2

Reviews the Corporation's acquisition and divestiture strategy.

Oversees the financial aspects of the Corporation's insurance and risk management processes.

Subject to certain restrictions and subsequent reporting requirements to the entire Board, may exercise the powers of the Board to act on any matters.

**Risk Oversight**

*Risk Oversight Our Board and Committees*

Our Board oversees an enterprise-wide approach to risk management. This approach is designed to improve our long-term performance and enhance stockholder value. A fundamental part of risk management is understanding the risks we face. Also important is management's role in addressing those risks and understanding what level of risk is appropriate for us. Our Board's involvement in setting our business strategy is a key part of its assessment of management's risk threshold and also helps determine an appropriate level of risk for us. The Board participates in an annual enterprise risk management assessment, which is led by the Corporation's Internal Audit Department. The Board assesses enterprise risk management with the input of the report of the Compensation Committee and advisors and members of management. To further assist the Board in carrying out its responsibilities, we appointed Don Serup, our Internal Auditor, as our Chief Risk Officer and J. Jeffrey Zimmerman, our General Counsel, as our Chief Compliance Officer, to oversee risks related to our audit and legal functions, respectively, and provide information to management, the Board and our committees, as necessary.

Various committees of the Board also have responsibility for risk management. The Audit Committee focuses on financial risk, including internal controls, and annually receives a risk assessment and risk management report from the Corporation's Internal Audit Department. The Audit Committee also annually reviews with management our guidelines and policies and the commitment of internal audit resources as they relate to risk management. In addition, the Finance Committee reviews the financial aspects of the Corporation's insurance and risk management policies, and the use of derivatives to hedge risk. As described below, the Compensation Committee strives to create

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compensation incentives that encourage a level of risk-taking behavior consistent with the Corporation's business strategy.

*Risk Considerations in our Compensation Program*

In 2013, our Compensation Committee conducted its annual review of the risk profile of the Corporation's compensation policies and practices. In connection with this review, the Compensation Committee engaged its independent consultant, Semler Brossy Consulting Group, LLC ("Semler Brossy"), to assist it in analyzing the Corporation's compensation policies and practices and associated compensation risks. Semler Brossy, with the assistance of management, prepared a risk profile assessment of the Corporation's executive compensation policies and practices for executive officers. After its review of these assessments, the Compensation Committee presented the results to the Board in connection with the Board's annual enterprise risk assessment. In addition, the Corporation's management reviewed its compensation plans and practices in 2013 for all employees and presented the findings to the Compensation Committee. Based in part on such reports, the Compensation Committee determined that, for all employees, the Corporation's enterprise-wide compensation policies and practices, in conjunction with the Corporation's existing processes and controls, do not incentivize employees to take unnecessary risks, or pose a material risk to the Corporation, particularly in light of the following factors:

our use of different types of compensation programs, such as equity- and cash-based plans, that provide a balance of long- and short-term incentives;

our claw-back policies, which allow us in certain circumstances in the event of a financial restatement, to seek the recovery of annual incentive awards, long-term incentive awards, equity-based awards and other performance-based compensation awarded to many of our employees, including all of our senior executives;

our use of a variety of financial and strategic performance objectives to help ensure that the Corporation's overall business strategy is properly promoted;

our structuring of our compensation programs to include features such as caps on payments, exclusion of certain extraordinary items and institutional approval of amounts paid; and

our Corporation's various policies and procedures and Internal Audit Department, all of which provide checks and balances that help us monitor risk and identify when an individual is taking excessive or inappropriate risks.

**Stockholder Communications with the Board**

Stockholders and other interested parties who wish to contact our directors may send written correspondence to: Hertz Global Holdings, Inc., 999 Vanderbilt Beach Rd., Naples, Florida 34108 Attention: Corporate Secretary.

Communications addressed to directors that discuss business or other matters relevant to the activities of our Board will be preliminarily reviewed by the office of the Corporate Secretary and then distributed either in summary form or by delivering a copy of the communication to the director, or group of directors, to whom they are addressed. With respect to other correspondence received by the Corporation that is

addressed to one or more directors, the Board has requested that the following items not be distributed to directors, because they generally fall into the purview of management, rather than the Board: junk mail and mass mailings, product and services complaints, product and services inquiries, résumés and other forms of job inquiries, solicitations for charitable donations, surveys, business solicitations and advertisements.

**Director Nominations**

The Nominating and Governance Committee will consider director nominees recommended by stockholders. To recommend a qualified person to serve on the Board, a stockholder should write to: Hertz Global Holdings, Inc., 999 Vanderbilt Beach Rd., Naples, Florida 34108, Attention: Corporate Secretary. The written recommendation must be delivered to the Corporate Secretary in accordance with the Corporation's By-laws. This generally means the recommendation must be delivered not fewer

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than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. The written recommendation must contain any applicable information set forth in the Corporation's By-laws and the Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee. The Nominating and Governance Committee will consider and evaluate persons recommended by stockholders in the same manner as it considers and evaluates other potential directors.

**Corporate Governance Guidelines**

The Board has adopted Corporate Governance Guidelines containing standards for the Nominating and Governance Committee to determine director qualifications. The Corporate Governance Guidelines provide that the Nominating and Governance Committee, in making recommendations about nominees to the Board, will:

review candidates' qualifications for membership on the Board based on the criteria approved by the Board and taking into account the enhanced independence, financial literacy and financial expertise standards that may be required under law or NYSE rules for committee membership purposes;

in evaluating current directors for re-nomination to the Board, assess the performance and independence of such directors; and

periodically review the composition of the Board in light of the current challenges and needs of the Board and the Corporation, and determine whether it may be appropriate to add or remove individuals after considering issues of judgment, diversity, age, skills, background, experience and independence.

The Corporate Governance Guidelines also contain policies regarding director independence, the mandatory retirement age of directors, simultaneous service on other boards and substantial changes relating to a director's affiliation or position of principal employment. Among other things, the guidelines establish responsibilities for meeting preparation and participation, the evaluation of our financial performance and strategic planning. Copies of our Corporate Governance Guidelines, as well as our written Directors' Code of Business Conduct and Ethics (the "Directors' Code of Conduct") applicable to our Board are available without charge on the "Investor Relations Corporate Governance Overview" portion of our website, [www.hertz.com](http://www.hertz.com).

**Director Election Standards**

The Corporation maintains a "majority" voting standard for uncontested elections. For a nominee to be elected to our Board, the nominee must receive more "for" than "against" votes. In accordance with our By-laws and Corporate Governance Guidelines, each director has submitted, or upon his or her nomination will submit, a contingent resignation to the Chair of the Nominating and Governance Committee. The resignation will become effective only if the director fails to receive a sufficient number of votes for re-election and the Board accepts the resignation. In the event of a contested director election, a plurality standard will apply.

**Chairman, Chief Executive Officer and Independent Lead Director Positions**

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As indicated in our Corporate Governance Guidelines, the Board believes it is important to retain its flexibility to allocate the responsibilities of the offices of the Chairman and CEO in a manner that is in the best interests of our Corporation. The Board believes that the decision as to who should serve as Chairman and CEO, and whether the offices should be combined or separate, should be assessed periodically by the Board, and that the Board should not be constrained by a rigid policy mandating the structure of such positions. The Board currently believes that the most effective and efficient leadership structure for our Corporation is for Mr. Frissora to serve as both Chairman and CEO. The Board believes that Mr. Frissora possesses the requisite experience, leadership capabilities and judgment to guide both our Corporation and the Board and to manage the particular opportunities and challenges that face us. In addition, the Board considers the terms of Mr. Frissora's employment agreement that provide he will serve as a member of the Board and as Chairman of the Board.

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CORPORATE GOVERNANCE

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In order to help ensure strong corporate governance and oversight of our management, our Corporate Governance Guidelines provide that the Board may select a non-management director to serve as a Lead Director. Mr. Tamke, an independent director with substantial business and oversight experience at several different public and private companies, was selected by our Board as our Independent Lead Director. The Independent Lead Director, in consultation with the Chairman and CEO, has responsibility for determining the length and frequency of Board meetings and setting the agenda for such meetings. The Independent Lead Director also sets the agenda for, and chairs, the Board's regularly-scheduled executive sessions in which management (other than Mr. Frissora) does not participate. In addition to the regularly-scheduled executive sessions of the Board that are held once per fiscal quarter without the presence of management (other than Mr. Frissora), our directors held 1 executive session in 2013 where only our independent directors attended. The Independent Lead Director presided to facilitate the discussion. Among other things, the Independent Lead Director coordinates meetings or other communications that a director wishes to initiate with management or employees. The Independent Lead Director, as a current member of the Compensation Committee, also significantly assists in setting our CEO's compensation by conferring with other independent members of the Board regarding our CEO's performance, providing perspective and facilitating our CEO's self-assessment.

**Policy on Diversity**

The Corporate Governance Guidelines and the Nominating and Governance Committee charter specify that the Nominating and Governance Committee consider a number of factors, including diversity, when evaluating or conducting searches for directors. The Nominating and Governance Committee interprets diversity broadly to mean a variety of opinions, perspectives, personal and professional experiences and backgrounds, such as international and multicultural experience and understanding, as well as other differentiating characteristics, including race, ethnicity and gender.

**Implementation and Assessment of Policies Regarding Director Attributes**

The Nominating and Governance Committee, when making recommendations to the Board regarding director nominations, assesses the overall performance of the Board, and when re-nominating incumbent Board members or nominating new Board members, evaluates the potential candidate's ability to make a positive contribution to the Board's overall function. The Nominating and Governance Committee considers the actual performance of incumbent Board members over the previous year, as well as whether the Board has an appropriately diverse membership to support our role as one of the world's leading car and equipment rental companies. The particular experience, qualifications, attributes and skills of the potential candidate are assessed by the Nominating and Governance Committee to determine whether the potential candidate possesses the professional and personal experiences and expertise necessary to enhance the Board's mission. After conducting the foregoing analysis the Nominating and Governance Committee makes recommendations to the Board regarding director nominees. In its annual assessment of director nominees, the Nominating and Governance Committee does not take a formulaic approach, but rather considers each prospective nominee's diversity in perspectives, personal and professional experiences and background and ability. In making director nominations, the Nominating and Governance Committee takes into account the overall diversity of the Board and evaluated the Board in light of, among other things, the attributes discussed in " Policy on Diversity" mentioned above.



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**DIRECTOR COMPENSATION**


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**Director Compensation**

The Board believes that a significant portion of non-employee director compensation should align director interests with the interests of our stockholders. As a result, our Board has approved the Hertz Global Holdings, Inc. Directors Compensation Policy (the "Director Compensation Policy"), pursuant to which our non-employee directors were entitled to the following compensation:

<b>Board/Committee</b>	<b>Non-Employee Director Compensation</b>		<b>&amp;zwsp;</b>
Board	\$85,000		\$125,000
Audit	Annual Cash Retainer:	Restricted Stock Unit Grant:	\$17,500
	\$35,000		
Compensation	Annual Chair Fee:	Annual Member Fee:	\$15,000
	\$30,000		
Nominating	Annual Chair Fee:	Annual Member Fee:	\$12,500
	\$25,000		
Finance	Annual Chair Fee:	Annual Member Fee:	\$17,500
	\$17,500		
	Annual Chair Fee:	Annual Member Fee:	

The Independent Lead Director receives a \$100,000 annual cash retainer. The Corporation does not pay additional fees to directors for attending Board or committee meetings.

Cash fees for Board and committee service are payable quarterly in arrears. A director may elect, annually in advance, to receive shares of our common stock having the same fair market value in lieu of such cash fees. A director may elect to receive shares of phantom stock rather than receiving cash fees if the requirements for such deferral are satisfied under applicable tax law. Any director electing to receive phantom shares will receive actual shares of our common stock on the earlier of when the director no longer serves on our Board or a change in control of the Corporation. Any fee that a director elected to defer is credited to the director's stock account and is deemed to be invested in a number of phantom shares equal to the number of shares of common stock that would otherwise have been delivered.

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The restricted stock units are granted to directors after our annual stockholder meeting and have an equivalent fair market value to such dollar amount on the date of grant. Provided the director is still serving on our Board, these restricted stock units vest on the business day immediately preceding the next annual meeting of stockholders.

We also reimburse our directors for reasonable and necessary expenses they incur in performing their duties as directors, and our directors are entitled to free worldwide car rentals. Any non-employee director who serves for at least five years will, after retirement from such service as a director, be eligible for Hertz #1 Club Platinum Card status and free worldwide car rentals up to a maximum of 90 days each year for fifteen years after his or her retirement.

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[REDACTED]

DIRECTOR COMPENSATION

[REDACTED]

For services rendered during the year ended December 31, 2013, our non-employee directors received the following compensation:

**2013 Non-Employee Director Compensation Table**

Name	Fees Earned or Paid in Cash(1) (\$)	Stock Awards(2)(3) (\$)	Total (\$)
&zwsp; Barry H. Beracha	130,625	124,988	255,613
&zwsp; Brian Bernasek(4)	68,125	124,988	193,113
&zwsp; Carl T. Berquist(4)	136,250	124,988	261,238
&zwsp; Michael J. Durham	108,750	124,988	233,738
&zwsp; Carolyn N. Everson(4)	50,000	124,988	174,988
&zwsp; Debra J. Kelly-Ennis(4)	48,750	124,988	173,738
&zwsp; Michael F. Koehler	108,750	124,988	233,738
&zwsp; Philippe P. Laffont(4)		61,634	61,634
&zwsp; Linda Fayne Levinson	113,750	124,988	238,738
&zwsp; Angel Morales(5)	42,500		42,500
&zwsp; George W. Tamke(5)	201,250	124,988	326,238
&zwsp; David Wasserman(5)	68,125	124,988	193,113
&zwsp; Henry C. Wolf	111,250	124,988	236,238

(1) All compensation is for services rendered as directors, including annual retainer fees and committee and chair fees as set forth above. For those directors who joined our Board or resigned from our Board in 2013, the cash retainer fees were pro-rated for their service.

(2) The value disclosed is the aggregate grant date fair value of 4,950 restricted stock units granted to each director, except for Mr. Laffont, based on a grant date of May 15, 2013 and computed pursuant to FASB ASC Topic 718. Mr. Laffont was granted 2,581 restricted stock units on November 14, 2013. Assumptions used in the calculation of these amounts are included in the note entitled

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"Stock-Based Compensation" in the notes to the Corporation's consolidated financial statements in our Form 10-K for the fiscal year ended December 31, 2013. Due to their resignation from our Board in 2013, Messrs. Bernasek and Wasserman forfeited their grants of restricted stock units made in 2013 and Mr. Morales did not receive a grant.

- (3) In addition to the restricted stock units reported above in footnote 2, Messrs. Beracha, Berquist, Durham and Wolf each own 23,350 options. As of December 31, 2013, Mr. Berquist owns 49,534 phantom shares, Ms. Everson owns 2,066 phantom shares and Ms. Kelly-Ennis owns 2,015 phantom shares.
- (4) Elected to receive fees that would otherwise be payable in cash in the form of phantom shares.
- (5) Elected to receive fees that would otherwise be payable in cash in the form of shares of common stock.

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## ELECTION OF DIRECTORS

## PROPOSAL 1: ELECTION OF DIRECTORS

**Board Structure**

The Corporation currently has eleven directors divided into three classes: four in Class I, three in Class II and four in Class III. The terms of office of the three Class II directors expire at the 2014 annual meeting of stockholders. The eight directors whose terms will continue after the 2014 annual meeting and will expire at the 2015 annual meeting (Class III) or 2016 annual meeting (Class I) are listed after the Class II directors.

**Class II Election**

The three nominees for election as Class II directors are listed below. If elected, the nominees for election as Class II directors will serve for a term of three years and until their successors are elected and qualify. If for any reason any nominee cannot or will not serve as a director, proxies may be voted for the election of a substitute nominee designated by our Board. The Class II Nominees are as follows:

**Michael J. Durham**

(Class II)

***Business Experience***

Mr. Durham has served as a director of the Corporation and Hertz since November 2006. Mr. Durham is 63 years old.

Mr. Durham served as Director, President and Chief Executive Officer of Sabre, Inc. ("Sabre"), then a NYSE-listed company providing information technology services to the travel industry, from October 1996, the date of Sabre's initial public offering, to October 1999. From March 1995 to July 1996, when Sabre was a subsidiary of AMR Corporation, he served as Sabre's President. Prior to joining Sabre, Mr. Durham spent 16 years with American Airlines, serving as the Senior Vice President and Treasurer of AMR Corporation and Senior Vice President of Finance and Chief Financial Officer of American Airlines from October 1989 until he assumed the position of President of Sabre in March 1995.

***Directorships and Other Experience***

Mr. Durham also serves as a member of the Board of Directors of Travora Media, Inc., a privately-held corporation. During the preceding five years, Mr. Durham has served on the Boards of Directors of Asbury Automotive Group, Inc. (where he served as the non-executive Chairman of the Board), Acxiom Corporation, NWA Corp. (the parent company of Northwest Airlines), Sabre (as noted above) and AGL Resources, Inc. Mr. Durham also served on the Board of Directors of Bombardier, Inc., a publicly-traded Canadian corporation. Mr. Durham has extensive business experience in the automotive, travel and transportation industries, which provides our Board with leadership skills and a breadth of knowledge about the challenges and issues facing companies such as ours.

***Broad Industry Experience***

Mr. Durham's tenure both as Chief Executive Officer and Chief Financial Officer of large multinational public companies allows him to add strategic value and management experience to the Board.

***Public Company and Executive Officer Experience******Corporate Governance and Financial Expertise***

Mr. Durham's experience as a director, and frequently a member of the audit committee, on a number of different company boards also gives him a valuable perspective to share with the Corporation.



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ELECTION OF DIRECTORS

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**Mark P. Frissora**  
(Class II)

Mr. Frissora has served as the Chairman of the Board of the Corporation and Hertz since January 1, 2007, and as Chief Executive Officer and a director of the Corporation and Hertz since July 2006. Mr. Frissora is 58 years old. Mr. Frissora's employment agreement provides that he will serve as a member of the Board and as Chairman of the Board.

***Business Experience***

Prior to joining the Corporation and Hertz, Mr. Frissora served as Chief Executive Officer of Tenneco Inc. ("Tenneco") from November 1999 to July 2006 and as President of the automotive operations of Tenneco from April 1999 to July 2006. He also served as the Chairman of Tenneco from March 2000 to July 2006. From 1996 to April 1999, he held various positions within Tenneco's automotive operations, including Senior Vice President and General Manager of the worldwide original equipment business. Previously Mr. Frissora served as a Vice President of Aeroquip Vickers Corporation from 1991 to 1996. In the 15 years prior to joining Aeroquip Vickers Corporation, he served for 10 years with General Electric and five years with Philips Lighting Company in management roles focusing on product development and marketing.

***Directorships and Other Experience***

Mr. Frissora served as a director of NCR Corporation ("NCR") from 2002 to 2009. He is a director of Walgreen Co., where he serves as the Chairman of the Finance Committee and is a member of the Nominating and Governance Committee. Mr. Frissora is also a director of Delphi Automotive PLC, where he is a member of their Finance Committee and a member of their Nominating and Governance Committee.

***Extensive Knowledge of the Corporation's Business and Industry***

As our Chairman since 2007 and CEO since 2006, Mr. Frissora has demonstrated a deep knowledge and understanding of the Corporation and our business as we have expanded worldwide and acquired Dollar Thrifty Automotive Group, Inc.

***Leadership and Management Experience***

Mr. Frissora, through his experiences as our Chairman and CEO, as well as through his other directorships, has demonstrated excellent leadership abilities, financial and operational expertise, commitment, good judgment and management skills.

***Executive Officer Experience***

Mr. Frissora's experience as a Chief Executive Officer and President of Tenneco, as well as our CEO, allows him to add strategic value to the Board.

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ELECTION OF DIRECTORS

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**Henry C. Wolf**  
(Class II)

***Business Experience***

Mr. Wolf has served as a director of the Corporation and Hertz since November 2006. Mr. Wolf is 71 years old.

Mr. Wolf served as Chief Financial Officer for Norfolk Southern Corporation ("Norfolk Southern") from 1993 until his retirement from Norfolk Southern in July 2007. Mr. Wolf held the title of Vice Chairman and Chief Financial Officer of Norfolk Southern from 1998 until his retirement. From 1993 to 1998, he served as Executive Vice President of Finance of Norfolk Southern. He served as Norfolk Southern's Vice President of Taxation from 1991 to 1993, Assistant Vice President Tax Counsel from 1984 to 1990, Senior Tax Counsel from 1983 to 1984, General Tax Attorney from 1976 to 1983 and Senior Tax Attorney from 1973 to 1976.

***Directorships and Other Experience***

Mr. Wolf is a director of AGL Resources, Inc. ("AGL"), a NYSE-listed company in the natural gas industry, as well as the Chairman of its Audit Committee and a member of its Executive and Compensation and Management Development Committees. Mr. Wolf served as a director of MModal Inc., a Nasdaq-listed company in the medical information technology industry from February 2012 to August 2012, where he was a member of its Compensation Committee. He also served as Member of the Board of Directors of Shenandoah Life Insurance Company (1995-2009). In addition, Mr. Wolf serves as a Member of the Board of Trustees of the Colonial Williamsburg Foundation and as a director of the Colonial Williamsburg Company.

***Accounting, Finance and Legal Experience***

Mr. Wolf's unique professional background with over forty years of experience with legal, financial, tax and accounting matters makes him an important advisor to the Board on many of the issues which face our Corporation.

***Financial Oversight and Risk Management Experience***

Mr. Wolf's skills that he gained from his service as the Vice Chairman and Chief Financial Officer for Norfolk Southern and his service as a director and audit committee chairman of AGL make him a valuable resource to the Board on matters of financial oversight and risk management, particularly for asset-intensive industries such as ours.

***Transportation Industry Expertise***

Mr. Wolf's significant experience in the in the transportation industry, including for Norfolk Southern, provides a valuable insight for the Corporation in overseeing our long-term strategy.

***The Board recommends a vote FOR  
all of the Class II nominees***



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## CONTINUING DIRECTORS

**Continuing Directors****Carl T. Berquist**  
(Class III)***Business Experience***

Mr. Berquist has served as a director of the Corporation and Hertz since November 2006. Mr. Berquist is 63 years old.

Mr. Berquist joined Marriott International, Inc. ("Marriott") in December 2002 as Executive Vice President, Financial Information and Enterprise Risk Management and served as Chief Accounting Officer of Marriott. In 2009, Mr. Berquist became Executive Vice President and Chief Financial Officer of Marriott. Prior to joining Marriott, Mr. Berquist was a partner at Arthur Andersen LLP. During his 28-year career with Arthur Andersen LLP, Mr. Berquist held numerous leadership positions, including managing partner of the worldwide real-estate and hospitality practice. His last position was managing partner of the mid-Atlantic region which included five offices from Philadelphia, Pennsylvania to Richmond, Virginia.

***Directorships and Other Experience***

Mr. Berquist is a member of the Board of Advisors of the Business School at Penn State University.

***Financial Oversight and Risk Management Experience***

Mr. Berquist's years of leadership in management and operational positions as a chief financial officer, enterprise risk management executive and major audit company partner, provides our Board with in-depth knowledge in financial, accounting and risk management issues.

***Travel Industry Knowledge***

Mr. Berquist's knowledge of the travel industry gained while at Marriott also makes him an important asset to the Board in recognizing hospitality and overseeing strategic trends.

***International Financial Expertise***

Mr. Berquist's experiences in managing the worldwide expansion of one of the most recognized hotel brands offers our Board specialized expertise in a variety of areas.

**Debra J. Kelly-Ennis**  
(Class III)***Business Experience***

Ms. Kelly-Ennis has served as a director of the Corporation and Hertz since May 2013. Ms. Kelly-Ennis is 57 years old.

Ms. Kelly-Ennis served as President and Chief Executive Officer of Diageo Canada, Inc., a subsidiary of Diageo plc, a global spirits, wine and beer company, from 2008 to June 2012. From 2005 to 2008, she was Chief Marketing Officer for Diageo North America Inc., a U.S.-based subsidiary of Diageo plc. Previous to her positions at Diageo plc, Ms. Kelly-Ennis served in various management roles at General Motors Corporation ("GM"), including serving as President and COO of Saab Cars USA from 2002 to 2005, General Manager of Oldsmobile from 2000 to 2002 and a Chevrolet Brand Manager from 1999 to 2000. Previous to GM, she held marketing and management roles of increasing responsibility with leading companies such as RJR/Nabisco, Inc., The Coca-Cola Company and Grand Metropolitan PLC.

***Directorships and Other Experience***

Ms. Kelly-Ennis has been a director of PulteGroup, Inc. since 1997, where she serves on the Audit Committee and the Nominating and Governance Committee, Altria Group, Inc. since February 2013, where she serves on the Innovation and Nominating Committee as well as the Corporate Governance and Social Responsibility Committee, and Carnival plc and Carnival Corporation since April 2012, where she serves on the Health, Environmental, Safety and Security Committee.

***Automotive Industry Experience***

Ms. Kelly-Ennis has extensive experience in the automotive industry, including her various senior roles with GM managing several high profile national GM brands.

***Executive Officer  
Experience  
Branded Marketing and  
Management Experience***

Ms. Kelly-Ennis offers our Board significant experience in managing international operations from her experience as the former President and Chief Executive Officer of Diageo Canada, Inc.

Ms. Kelly-Ennis also provides the Board with critical branded marketing and management experience from her role at Diageo and from her membership on the boards of directors at other companies with major brand portfolios similar to ours.

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## CONTINUING DIRECTORS

**Michael F. Koehler**  
(Class III)***Business Experience***

Mr. Koehler has served as a director of the Corporation and Hertz since March 2012. Mr. Koehler is 61 years old.

Mr. Koehler is President, Chief Executive Officer and a member of the Board of Directors of Teradata Corporation ("Teradata"), a publicly-traded provider of enterprise data warehousing and integrated marketing software, where he also serves on the Executive Committee. Prior to the separation of Teradata from NCR, Mr. Koehler served as Senior Vice President of the Teradata Division of NCR from 2003 to 2007. From September 2002 to March 2003, he was the Interim Leader of the Teradata Division. From 1999 to 2002, Mr. Koehler was Vice President, Global Field Operations of the Teradata Division and he held management positions of increasingly greater responsibility at NCR prior to that time.

Mr. Koehler is a director at Teradata.

***Directorships and Other Experience******Executive Officer Experience***

Mr. Koehler has significant management and leadership skills gained as Chief Executive Officer of Teradata, a global information technology provider.

***International Oversight Expertise***

Mr. Koehler's role as Chief Executive Officer of an information technology provider with global operations provides the Board with critical experience regarding our domestic and international operations.

***Strategy and Technology Experience***

Mr. Koehler brings to our Board a deep knowledge of strategic operations and business development as well as valuable insights on how to incorporate technology into our ongoing operations.

**Linda Fayne Levinson**  
(Class III)***Business Experience***

Ms. Fayne Levinson has served as a director of the Corporation and Hertz since March 2012. Ms. Fayne Levinson is 72 years old.

Ms. Fayne Levinson was a partner at GRP Partners, a venture capital investment fund investing in start-up and early-stage retail and electronic commerce companies, from 1997 to December 2004. Prior to that, she was a partner in Wings Partners, a private equity firm that took Northwest Airlines private, an executive at American Express running its leisure travel and tour business and a partner at McKinsey & Co.

***Directorships and Other Experience***

Ms. Fayne Levinson was Chair of the Board of Directors of Connexus Corporation, an online marketing company, from July 2006 to May 2010 when it was merged into Epic Advertising. Ms. Fayne Levinson is also a director of Jacobs Engineering Group Inc., Ingram Micro Inc., The Western Union Company and NCR, where she has served as a director since 1997 and Lead Independent Director from 2007 to 2013. Ms. Fayne Levinson was formerly a director at DemandTec, Inc. from 2005 to 2012, until it was acquired by IBM.

***Risk Management and Oversight***

Ms. Fayne Levinson has demonstrated her expertise in risk management and oversight as a director of several public companies, including her experience as Lead Independent Director of NCR.

***Travel Industry Knowledge***

Ms. Fayne Levinson's experience at Wings Partners and American Express provide her with extensive knowledge about the operating and financial issues that face the travel and transportation industry.

***Leadership and Operating Experience***

Ms. Fayne Levinson gained general management experience at American Express, strategic experience at McKinsey & Co. and investment experience at GRP Partners and Wings Partners. In addition, the Board believes that Ms. Fayne Levinson's extensive management and leadership experience, her in-depth knowledge of corporate governance issues and her diversity of perspective provide us with valuable insight with regard to our global operations.



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## CONTINUING DIRECTORS

**Barry H. Beracha**

(Class I)

***Business Experience***

Mr. Beracha has served as a director of the Corporation and Hertz since November 2006. Mr. Beracha is 72 years old.

Mr. Beracha most recently served as Executive Vice President of Sara Lee Corp. ("Sara Lee") and Chief Executive Officer of the Sara Lee Bakery Group, which was created when Sara Lee acquired The Earthgrains Company in 2001. Mr. Beracha retired from Sara Lee in June 2003. He also served as Chairman and Chief Executive Officer of The Earthgrains Company, which was spun off from Anheuser-Busch Companies, Inc. ("Anheuser-Busch") in 1996. In 1967, Mr. Beracha joined Anheuser-Busch, and held various management positions of increasing responsibility until the spin-off of The Earthgrains Company in 1996, prior to which he held the title of Vice President and Group Executive of Anheuser-Busch.

***Directorships and Other Experience***

From February 2012 to January 2013, Mr. Beracha served on the Board of Directors of Ralcorp Holdings, Inc., a NYSE-listed food manufacturer and distributor, where he served on the Compensation and Governance Committee. Mr. Beracha served on the Board of Directors of Pepsi Bottling Group ("Pepsi") from 1999 to 2010, where he served as the non-executive Chairman of the Board from March 2007 to October 2008 and was a member of the Compensation Committee and of the Audit and Affiliated Transactions Committee. Mr. Beracha retired from the Board of Directors of McCormick & Co., where he served as Chairman of the Compensation Committee, in March 2007. He served as Chairman of the Board of Trustees of Saint Louis University from December 2005 to May 2009. Mr. Beracha has served as Chairman of the Board of Trustees of the St. Louis Symphony since November 2013.

***Executive Officer Experience***

Mr. Beracha provides our board with significant management and strategic experience gained in the roles of chairman and chief executive officer of leading consumer industry companies.

***Leadership, Operating and Corporate Governance Experience***

Mr. Beracha's service as non-executive Chairman of the Board of Pepsi as well as various other director roles, provides our Board extensive leadership, governance, financial expertise, management and business development skills.

***Branded Marketing Experience***

Mr. Beracha's experience at Sara Lee and Anheuser-Busch offers our Board specialized knowledge of managing the development, integration and expansion of consumer brands.

**Carolyn N. Everson**

(Class I)

***Business Experience***

Ms. Everson has served as a director of the Corporation and Hertz since May 2013. Ms. Everson is 42 years old.

Ms. Everson serves as Vice President of Global Marketing Solutions for Facebook, Inc. ("Facebook"), where she manages the global marketing solutions team focused on expanding advertising revenue and managing significant, strategic accounts. Before Facebook, Ms. Everson served as Corporate Vice President of Global Ad Sales and Strategy of Microsoft Corporation ("Microsoft") from 2010 to 2011. Previous to Microsoft, Ms. Everson held various advertising management positions at MTV Networks Company ("MTV") from 2004 to 2010, including serving as Executive Vice President and Chief Operating Officer of Ad Sales from 2008 to 2010. Prior to MTV, she served in roles of increasing responsibility with respect to business development and advertising at Primedia, Inc., Zagat Surveys LLC and Walt Disney Imagineering.

***Marketing and Strategy Experience***

Ms. Everson provides the Board with extensive experience and understanding of marketing and innovation strategies in her roles at Microsoft and Facebook, which are key areas for our Corporation's growth.

***Media and Technology Expertise***

Ms. Everson brings her special expertise in media and technology developed from her roles two of the world's largest technology companies to support our continued efforts to develop and communicate our brand and

***International Business and  
Leadership Experience***

product offerings.

Ms. Everson's experience in managing global advertising efforts for technology companies and her leadership experience provide our Board with specialized perspective and knowledge.

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## CONTINUING DIRECTORS

<p><b>Philippe P. Laffont</b> (Class I) <i>Business Experience</i></p> <p><i>Directorships and Other Experience</i></p> <p><i>Finance and Management Experience</i></p> <p><i>Strategic and Risk Management Knowledge</i></p> <p><i>Global Technology Expertise</i></p>	<p>Mr. Laffont has served as a director of the Corporation and Hertz since October 2013. Mr. Laffont is 46 years old.</p> <p>Mr. Laffont is the Founder and Chief Investment Officer of Coatue Management ("Coatue"), an investment management firm founded in 1999. Prior to founding Coatue, Mr. Laffont worked at Tiger Management ("Tiger") as a research analyst from 1996 to 1999. Mr. Laffont began his career as an analyst in management consulting for McKinsey &amp; Co. in Madrid, Spain, where he worked from 1992 to 1994, and then worked as an independent consultant until starting at Tiger.</p> <p>Mr. Laffont serves on the Advisory Board of the Robin Hood X Prize and is a Trustee of the New York Presbyterian Hospital. He is a founder and member of the Executive Board of the Dreamland Theater in Nantucket.</p> <p>Mr. Laffont provides the Board with financial and management skills demonstrated as the Founder and Chief Investment Officer of Coatue and his role at Tiger.</p> <p>Mr. Laffont provides the Board significant experience in the evaluation of strategic opportunities for both public and private companies and offers our Board perspectives on risk management with respect to our operations.</p> <p>Mr. Laffont provides the Board with specialized expertise on matters related to the development and oversight of technology functions to help support our continued global expansion.</p>
<p><b>George W. Tamke</b> (Class I) <i>Business Experience</i></p> <p><i>Directorships and Other Experience</i></p> <p><i>Executive Officer and Leadership Experience</i></p> <p><i>Corporate Governance Experience</i></p>	<p>Mr. Tamke has served as a director of the Corporation and Hertz since July 2006. Mr. Tamke served as the Chairman of the Board of Directors of the Corporation and Hertz from December 2005 until July 2006 and currently serves as our Independent Lead Director. Mr. Tamke is 66 years old.</p> <p>Mr. Tamke joined Clayton, Dubilier &amp; Rice, LLC ("CD&amp;R") in 2000, and was eventually the Senior Operating Partner at CD&amp;R through 2013. Prior to joining CD&amp;R in 2000, he served as Vice Chairman and Co-Chief Executive Officer of Emerson Electric Co. ("Emerson"), a manufacturer of electrical and electronic equipment, where he managed the global expansion and diversification into non-traditional, higher-growth market segments. He played an active role in CD&amp;R's investments in Kinko's, Inc. ("Kinko's"), where he was responsible for driving Kinko's transformation and growth into the corporate market, as well as holding the role of Kinko's Interim President and Chief Executive Officer from January 2001 to August 2001. He also served as President and Chief Operating Officer of Cullinet Software, Inc., and spent seventeen years at the IBM Corporation.</p> <p>Mr. Tamke has served as a director and Chairman of Culligan Ltd. since October 2004, where he focused the business overseas from both a marketing and sourcing perspective. Mr. Tamke was a director of Target Corporation from June 1999 to March 2010 and a director of Kinko's from January 2001 to February 2004, and its Chairman from August 2001 to February 2004. Mr. Tamke was a director and Chairman of ServiceMaster Global Holdings, Inc. from March 2007 to January 2010.</p> <p>Mr. Tamke provides the Board with leadership skills, significant management, strategic and operational experience through his roles of Co-Chief Executive Officer of Emerson and Chief Executive Officer of Kinko's, and as a director of multiple public and private companies.</p> <p>Mr. Tamke's experience as a director of Target Corporation, Culligan Ltd. and ServiceMaster Global Holdings, Inc. gives Mr. Tamke a deep understanding of our Board responsibilities, and positions him well to serve as the Independent Lead Director of the Corporation and Hertz.</p>

***Extensive Knowledge of the Corporation's Business and Industry*** Mr. Tamke has demonstrated a comprehensive knowledge and understanding of the Corporation and our business through his leadership positions on our Board since 2006.



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COMPENSATION DISCUSSION AND ANALYSIS: EXECUTIVE SUMMARY

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**Compensation Discussion and Analysis**

***Executive Summary: Our Performance, Our Pay in 2013***

***2013 Financial Performance Highlights***

For 2013, we reported financial results which improved on our outstanding 2012 results.

**Record Revenues:** Worldwide revenues for fiscal 2013 were \$10.8 billion, an increase of approximately 19.4% over the prior year's revenues.

**EPS Increases 43.4%:** Full year 2013 net income was \$346.2 million or \$0.76 per share on a diluted basis, compared with a net income of \$238.6 million or \$0.53 per share on a diluted basis for 2012.

**Common Stock Up 76%:** The price of our common stock increased approximately 76% during 2013, closing at \$28.62 on December 31, 2013, up from the closing price of \$16.27 on December 31, 2012.

***2013 Business, Operational and Governance Highlights***

**Integrated Dollar Thrifty to Drive Synergies:** We continued our integration of the operations of Dollar Thrifty into our sourcing, operations and information technology infrastructure to drive overall synergies.

**Expanded Firefly to Reach Value Consumers:** We expanded our Firefly brand, a deep value brand, in Europe and in the United States to complement our existing Hertz, Dollar and Thrifty brands.

**Repurchased our Common Stock:** Our Board authorized the repurchase of \$300 million of our common stock in November 2013.

**Recruited New Directors with Diverse Skill Sets:** We added Debra J. Kelly-Ennis, Carolyn N. Everson and Philippe P. Laffont to our Board.

**Eliminated Pledging and Hedging:** We eliminated pledging and hedging of our common stock by our officers and directors.



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COMPENSATION DISCUSSION AND ANALYSIS: EXECUTIVE SUMMARY

*Our Compensation Philosophy and Design: How We "Pay For Performance"*

Our Compensation Committee believes that:

awarding annual cash bonuses to our senior executives using a variety of annual financial and operational performance metrics drives short-term performance and enhances accountability without promoting undue risk;

our senior executives should focus on goals which promote our Corporation's overall performance and awarding equity on our overall financial performance helps us increase long-term stockholder value and retain executives;

salaries should reward and retain our senior executives, but not form a majority of their overall compensation; and

offering pension benefits and business-related perquisites helps retain and focus our senior executives.

*Our Compensation Philosophy in Action: What We Paid in 2013*

**Annual Cash Bonus:** Due to our operating and financial performance in 2013, EICP awards were earned by our named executive officers in an amount that generally approximated the targets established by the Compensation Committee.

**2012-2013 Corporate EBITDA Performance Stock Units:** As a result of our financial performance in 2012 and 2013 combined, our named executive officers increased the number of performance stock units earned from 95.1% to 98.4% for performance stock grants granted in 2012.

**2013-2014 Corporate EBITDA Performance Stock Units:** As a result of our financial performance in 2013, our named executive officers earned 66.0% of performance stock units granted in 2013.

**2013 Corporate EBITDA Margin Performance Stock Units:** In addition to growth in Corporate EBITDA, our senior executives maintained Corporate EBITDA margins that were significantly higher than our 2012 Corporate EBITDA margins, which allowed our named executive officers to earn performance stock units based on this increase.

**Salaries:** As part of our annual performance evaluations, we determined it was appropriate to increase all of our named executive officers' salaries (other than Mr. Kennedy, who was not an employee in 2012).



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COMPENSATION DISCUSSION AND ANALYSIS: EXECUTIVE SUMMARY

**Hertz's Commitment to Good Corporate Governance and Pay Practices:  
What We Do and What We Don't Do**

We pay for our Corporation's financial and operating performance	We don't have a high percentage of fixed compensation
We evaluate risk in light of our compensation programs	We don't grant time-vested stock to our senior executives without performance conditions
We use a variety of financial and operational metrics for our annual cash bonus program	We don't have employment contracts for our non-CEO officers
We use double-trigger provisions for our change in control agreements	We don't use the same performance metrics for short-term and long-term compensation
We prohibit pledging and hedging of our stock by our officers and directors	We don't use a peer group composed of companies significantly larger than ours
We use an independent compensation consultant	We don't re-price underwater options
We have a robust stock ownership policy	We don't use short-term vesting for stock awards
We maintain claw-back policies	We don't pay spot bonuses or guarantee bonuses to existing executives

**Named Executive Officers**

We refer to the following individuals as our "named executive officers":

Mark P. Frissora, who is our Chief Executive Officer ("CEO") and the Chairman of our Board;

Elyse Douglas, who was our former Chief Financial Officer ("CFO") until her resignation on October 1, 2013;

David J. Rosenberg, who was our interim CFO from October 1, 2013 to December 9, 2013;

Thomas C. Kennedy, who became our CFO on December 9, 2013 and is our CFO and Senior Executive Vice President;

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Scott P. Sider, who is our Group President, Rent-A-Car Americas;

Michel Taride, who is our Group President, Rent-A-Car International; and

J. Jeffrey Zimmerman, who is our General Counsel, Executive Vice President and Secretary.

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COMPENSATION DISCUSSION AND ANALYSIS



*Our Performance and Our Pay for the Chief Executive Officer in 2013*

The following tables illustrate the general relationship between the performance of our Corporation, based on three of our performance metrics and the compensation of our CEO from 2011 to 2013. Corporate EBITDA is the central component of our long-term equity incentive program and adjusted pre-tax income and revenue are components of our EICP and impact the price of our common stock and ability to return capital to stockholders.

**Financial Performance and CEO Pay**

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Note: CEO pay excludes Change in Pension Value and Non-Qualified Deferred Compensation Earnings as reported in the Summary Compensation Table. The components of CEO pay reflect the figures in the Summary Compensation Table and may not reflect realized compensation.



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COMPENSATION DISCUSSION AND ANALYSIS

*Determining What We Pay Role of the Compensation Committee*

The Compensation Committee reviews and establishes the compensation program for our senior executives. To assist it in doing so, the Compensation Committee has the authority to retain outside advisors as it deems appropriate. Since July 2008, the Compensation Committee has engaged Semler Brossy as its compensation consultant to provide advice and information. Semler Brossy's responsibilities include:

providing recommendations and criteria regarding our Survey Group (as defined below);

reviewing and advising on total executive compensation, including salaries, short- and long-term incentive programs and relevant performance goals;

advising on industry trends, important legislation and best practices in executive compensation;

advising on how to best align pay with performance and with our business needs; and

assisting the Compensation Committee with any other matters related to executive compensation arrangements, including senior executive employment agreements.

The Compensation Committee reviews our compensation programs in light of Semler Brossy's recommendations and adjusts compensation as the Compensation Committee sees fit. However, the decisions made by the Compensation Committee are the responsibility of the Compensation Committee, and may reflect factors other than the recommendations and information provided by Semler Brossy. Semler Brossy does not perform any services for the Corporation other than its role as advisor to the Compensation Committee. After taking into account Semler Brossy's (i) absence of significant relationships with management of the Corporation and the members of the Compensation Committee, (ii) internal policies and (iii) other relevant information provided, the Compensation Committee believes that Semler Brossy's work did not raise any conflicts of interest and Semler Brossy is independent.

In determining the appropriate levels of our compensation programs, our CEO provides input to the Compensation Committee on topics that he believes are important, such as the appropriate salary for senior executives (other than himself), performance criteria, numerical performance goals and appropriate target performance levels. As part of this process, our CEO obtains data from and has discussions with our Chief Human Resources Officer. Our CEO conducts performance reviews with respect to the other senior executives of the Corporation, the results of which may affect our senior executives' salaries and annual bonus levels. In addition, the Independent Lead Director, who is a member of the Compensation Committee, regularly discusses with the Chair of the Compensation Committee various aspects of the CEO's performance and his compensation. The Independent Lead Director also confers with other independent members of the Board and members of the Compensation Committee as part of the process of setting our CEO's compensation. Our Compensation Committee may give weight to our CEO's input in its discretion, but in all cases, the final determinations over compensation reside with the Compensation Committee or, if requested by the Board, in the case of our CEO, with the independent members of our Board.



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COMPENSATION DISCUSSION AND ANALYSIS

*Determining What We Pay Elements of our Compensation Programs*

<b>Element</b>	<b>Type</b>	<b>How and Why We Pay It</b>	<b>&amp;zwsp;</b>
Salary	Fixed Cash	Paid throughout the year to attract and retain senior executives	
&zwsp; Annual Cash Bonus	Performance-Based Cash	Sets the baseline for bonus and retirement programs  Paid annually in cash under the Senior Executive Bonus Plan to reward performance of the Corporation, business unit and individual	&zwsp;
&zwsp;			&zwsp;
Long-Term Equity	Performance-Based Equity	Aligns senior executives' interests with stockholders' interests, reinforces key strategic initiatives and encourages superior individual performance  Granted annually, with vesting occurring in subsequent years based on meeting performance conditions	
&zwsp; Retirement Benefits and Perquisites	Variable Other	Aligns senior executives' interests with stockholders' interests and drives key performance goals  Paid at retirement based on senior executives' salary, bonus and years of service to the Corporation	&zwsp;
&zwsp;			&zwsp;
		Limited perquisites for business purposes, including relocation expenses due to the relocation of our headquarters to Florida	&zwsp;

&zwsp;

Limited perquisites also designed to retain talent and improve efficiency

*Compensation Elements Pay Mix*

We designed our compensation programs so that a significant portion of our senior executives' pay is in the form of performance-based cash and equity compensation. The charts below illustrate that, for our CEO, 80.9% of his total compensation is directly influenced by our Corporation's financial and operating performance and for the average of the other named executive officers, 70.1% of their compensation is directly influenced by our Corporation's financial and operating performance.

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COMPENSATION DISCUSSION AND ANALYSIS

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Note: CEO and NEO pay excludes Change in Pension Value and Non-Qualified Deferred Compensation Earnings as reported in the Summary Compensation Table. Only NEOs who were employed for the entire 2013 fiscal year are contained in the above chart.

*Determining What We Pay Survey Group*

When determining our compensation programs, we compare the compensation for our senior executives to the compensation of comparable positions at a group of companies (the "Survey Group"). The Compensation Committee selected the Survey Group in consultation with Semler Brossy. Because the number of our direct industry competitors in the global market is limited, we do not limit the Survey Group to our direct competitors, but also include similarly-sized companies that are in the consumer discretionary (excluding media companies), consumer staples and industrials (excluding capital goods companies) sectors. These industries were selected because successful companies within these industries frequently bear substantial similarities to the Corporation's business model, insofar as they (i) are asset-intensive, (ii) require frequent customer contact and (iii) involve the need to maintain favorable brand recognition. The companies in the Survey Group had annual revenues of approximately \$5 to \$20 billion, as compared to the Corporation's 2013 revenue of \$10.8 billion. We include a relatively large number (45) of companies in the Survey Group, in part because we believe that

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[REDACTED]

 COMPENSATION DISCUSSION AND ANALYSIS

[REDACTED]

 doing so helps to reduce the influence of outliers. Of the 45 companies in the Survey Group, 43 were in the 2012 Survey Group. The following are the companies that comprised our Survey Group in 2013:

Avis Budget Group, Inc.	General Mills, Inc.	PetSmart, Inc.
Big Lots, Inc.	Hershey Co.	Pitney Bowes Inc.
BorgWarner Inc.	Hormel Foods Corp.	R.R. Donnelley & Sons Co.
Carnival Corp.	J.C. Penney Company, Inc.	Royal Caribbean Cruises Ltd.
Coca-Cola Enterprises Inc.	J. M. Smucker Co.	Ryder System, Inc.
Colgate-Palmolive Co.	Kellogg Co.	Starbucks Corp.
ConAgra Foods, Inc.	Kelly Services, Inc.	Starwood Hotels & Resorts Worldwide, Inc.
CSX Corp.	Kimberly-Clark Corp.	TRW Automotive Holdings Corp.
Dana Holding Corp.	Kohl's Corp.	Union Pacific Corp.
Darden Restaurants, Inc.	L Brands, Inc.	V. F. Corp
Dean Foods Co.	Marriott International, Inc.	Visteon Corp.
Dollar Tree, Inc.	Mattel, Inc.	Waste Management, Inc.
Estee Lauder Companies Inc.	Nordstrom, Inc.	Whirlpool Corp.
Federal-Mogul Corp.	Norfolk Southern Corp.	Whole Foods Market, Inc.
Gap Inc.	Office Depot, Inc.	YUM! Brands, Inc.

When making compensation decisions for our senior executives, our management and our Compensation Committee consider the compensation levels of the Survey Group, as well as industry factors, general business developments, corporate, business unit and individual performance and our overall "pay for performance" compensation philosophy. We typically review the salaries, annual bonus levels and long-term equity awards of our named executive officers and other senior executives every 12 months, and we periodically (but not on a set schedule) review the other elements of their compensation.

*Determining What We Pay Response to Advisory Vote on Executive Compensation*

In 2013, our advisory vote on executive compensation was approved by the following vote:

<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Broker Non-Votes</b>
289,054,380	65,150,151	959,764	17,201,438

This represented an 81% level of approval.

After reviewing the results of the 2013 vote, our Compensation Committee believes that the structure and features of our compensation program were consistent with our business strategy and pay for performance philosophy and elected to retain the features of the current program used to compensate our named executive officers.

*Annual Cash Compensation*

*Salary*

For the named executive officers, the Compensation Committee determines salary and any increases after reviewing individual performance, conducting internal compensation comparisons and reviewing compensation in the Survey Group. We also take into account other factors such as an individual's prior experience, total mix of job responsibilities versus market comparables and internal equity when setting base salaries for our senior executives. The Compensation Committee consults with our CEO (except as to his own compensation)





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Mr. Taride(2)                   \$     574,105   \$     592,280

The overall performance of our Rent-A-Car International business unit, in light of challenging European business conditions in 2012

&zwsp; Mr. Zimmerman           \$     500,000   \$     520,000

Mr. Taride's performance in managing our worldwide expansion of car and rental operations

&zwsp;

Mr. Zimmerman's exceptional performance in handling the acquisition and integration of Dollar Thrifty

&zwsp;

&zwsp;

Mr. Zimmerman's additional duties as Chief Compliance Officer and increased oversight of internal legal staff after the acquisition of Dollar Thrifty

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(1) Mr. Kennedy's salary paid during 2013 was pro-rated based on his December 9 start date.

(2) For Mr. Taride, these amounts have been converted to U.S. dollars from pounds sterling at the 12-month average rate of 1.56323.

*Senior Executive Bonus Plan*

Our named executive officers' compensation includes an annual cash bonus payable pursuant to the Hertz Global Holdings, Inc. Senior Executive Bonus Plan ("Senior Executive Bonus Plan"), which was approved by our stockholders at the 2010 annual meeting. Payments under the Senior Executive Bonus Plan are intended to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code (the "Code"). Under the terms of the Senior Executive Bonus Plan, the maximum amount of a payment is limited to 1% of

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COMPENSATION DISCUSSION AND ANALYSIS

our earnings before interest, taxes, depreciation and amortization ("EBITDA") for a performance period for our CEO and 0.5% of our EBITDA for a performance period for other participants. Although our Compensation Committee exercises discretion to reduce annual incentives under the Senior Executive Bonus Plan, it may not increase the payments. When using its discretion to appropriately size annual incentives for 2013, our Compensation Committee took into account each named executive officer's performance under the Executive Incentive Compensation Plan ("EICP").

*Annual Cash Incentive Program (EICP)*

*How We Determined the 2013 EICP Awards*

To determine the EICP awards, our Compensation Committee reviewed our performance against the established performance criteria, reviewed individual performance and approved the EICP award payments for the named executive officers (other than the CEO), and recommended to the Board for approval the CEO's award payment. To arrive at the annual award, the Target Award was multiplied by modifiers noted in the table below:

- 
- (1) The Corporate Performance Modifier is designed to reward our Corporation's overall financial performance and is based on the weighted average of our Corporation's Adjusted Pre-Tax Income, EVA® (a registered trademark of Stern Stewart and Co.) and Revenue.
  - (2) The Business Unit Modifier is designed to reward the performance of individual business units and for corporate employees, the weighted average of each individual business unit's performance.
  - (3) The Individual Performance Modifier is designed to reward the individual performance of our senior executives.

*Target Awards for 2013*

The Target Award for 2013 was a percentage of the named executive officer's 2013 salary. In general, the Compensation Committee considers the experience, responsibilities, title and historical performance of each particular senior executive when determining Target Awards.



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Each named executive officer's 2013 Target Award as a percentage of base salary as of December 31, 2013 were as follows:

<b>Named Executive Officer</b>	<b>Target Award as a % of Salary</b>	<b>Salary as of December 31, 2013</b>	<b>Target Award</b>	<b>&amp;zwsp;</b>
Mr. Frissora	160%	\$1,450,000	\$2,320,000	
&zwsp; Ms. Douglas	80%	\$ 608,000	\$ 486,400	&zwsp;
Mr. Rosenberg				