

# THE HERTZ CORPORATION INCOME SAVINGS PLAN

## Notice of Safe Harbor Features for the 2021 Plan Year

November, 2020

The Hertz Corporation ("Hertz") is excited to announce that, beginning with pay dates on or after January 1, 2021, matching contributions will be reinstated under The Hertz Corporation Income Savings Plan (the "Plan"). Accordingly, you are receiving this legally required notice because, for 2021, the Plan is intended to satisfy certain design-based "safe harbor" contribution and vesting requirements under Section 401(k) of the Internal Revenue Code (the "Code").

In general, plans making matching contributions in accordance with one of the permissible "safe harbor" contribution formulas specified by the Code need not perform certain annual nondiscrimination tests generally required of similar plans. Please review this notice carefully and consider how much of your Eligible Compensation (defined below) to contribute for the 2021 Plan year.

### YOUR SALARY CONTRIBUTIONS

After you have completed one year of service and meet the Plan's eligibility requirements, you are eligible to contribute to the Plan on a before-tax basis, Roth after-tax basis, or some combination of the two in an amount between 1% and 30% of your Eligible Compensation subject to the annual limit imposed by the Code (these are collectively referred to as your "Salary Contributions"). For 2021, the annual limit for Salary Contributions remains unchanged at \$19,500.

Participants aged 50 or older by the end of 2021 may be able to make additional Salary Contributions to the Plan known as "catch-up contributions" if certain conditions are met. For 2021, the limit for catch-up contributions remains unchanged at \$6,500.

### SAFE HARBOR MATCHING CONTRIBUTIONS UNDER THE PLAN

In order to satisfy the safe harbor contribution requirements, Hertz will match, for each payroll period in 2021, your Salary Contributions dollar for dollar on the first 3% of Eligible Compensation that you contribute, and 50 cents per dollar on the next 2% of Eligible Compensation that you contribute if you have completed at least one year of service. This means your account is credited with a total safe harbor matching contribution equal to 4% of your Eligible Compensation if you contribute at least 5% of Eligible Compensation as Salary Contributions throughout 2021.

**Contribution Example.** For example, assume you earn \$50,000 of Eligible Compensation in 2021 and are eligible for the safe harbor matching contribution for the entire 2021 plan year. You elect to make Salary Contributions of 10% (or \$5,000) of your Eligible Compensation throughout 2021. During 2021, Hertz will make safe harbor matching contributions to your account equal to \$2,000.



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## OTHER CONTRIBUTIONS

You may elect to roll over money you currently have in other eligible retirement plans to the Plan. In addition to the contributions described above, you may have other contributions (such as prior non-Roth after tax contributions, non-safe harbor matching contributions and prior employer contributions) in your Plan account from historical Plan provisions or from a prior plan that was merged into the Plan.

## VESTING OF CONTRIBUTIONS

You are always 100% vested in all amounts attributable to your Salary Contributions. Safe harbor matching contributions and transition contributions allocated to your account are also 100% vested (i.e., 100% non-forfeitable) when made.

## METHOD OF MAKING SALARY CONTRIBUTION ELECTIONS

To make or change a Salary Contribution election, you may go to The Hertz Corporation Income Savings Plan Website (the "Savings Plan Website") at <http://401k.com>. You will be required to enter your Social Security Number and Personal Identification Number (PIN).

For assistance with how to use the Savings Plan Website, call The Hertz Corporation Income Savings Plan Call Center (the "Savings Plan Call Center") at 1-800-835-5095 and speak directly with a customer service representative. You will need your Social Security Number and PIN when calling the Savings Plan Call Center.

## ELIGIBLE COMPENSATION

"Eligible Compensation" means your compensation for personal services actually rendered in the course of employment at Hertz, including, but not limited to, your base pay and any applicable bonus, overtime, incentive pay, commissions, and other similar payments that you may receive. Eligible Compensation generally will not include disability benefits, severance payments, expense reimbursements, expense allowances, equity compensation, deferred compensation, fringe benefits, and for highly compensated employees (as determined under the Code) any stay or retention bonuses. Your Eligible Compensation will be determined by the plan administrator in accordance with the terms of the Plan and applicable law. Further, Eligible Compensation for Plan purposes is limited by law to the Code-imposed annual maximum (\$290,000 for 2021), meaning that compensation in excess of that amount is not recognized for purposes of determining your contributions under the Plan.

## WITHDRAWAL PROVISIONS (OTHER THAN HARDSHIP WITHDRAWALS)

Your account balance attributable to Salary Contributions and safe harbor matching contributions (made on or after January 1, 2015), including any related earnings, may be withdrawn at any time upon the occurrence of one or more of the following events:

- Your retirement, death, or other severance from employment with Hertz; or
- Your attainment of age 59½ while you are still working.

However, the amount of contributions and earnings in your Roth after-tax account generally cannot be withdrawn in a tax-advantaged manner unless the account is at least five years old and the withdrawal is made after you attain age 59½.

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You may withdraw all or a portion of your account balance attributable to rollovers and any non-Roth after-tax contributions made to the Plan before January 1, 1987 at any time.

You may also request a withdrawal of your Salary Contributions if you are a member of a reserve component and you are called to active military duty for an indefinite period or for a period of at least 180 days. If you are performing qualified military service for a period of more than 30 days, you may also elect to withdraw your Salary Contributions, qualified nonelective contributions and amounts in your Prior Plan Donlan Roth Account and Prior Plan Safe Harbor ER Account during your active duty period, but your Salary Contributions will be suspended for 6 months.

For more information about withdrawals under the Plan, please refer to the Summary Plan Description (SPD).

## **HARDSHIP WITHDRAWALS**

Notwithstanding the above, if you have not yet attained age 59½ and you experience a financial "hardship" as determined in accordance with the Plan's provisions, you generally may withdraw all or a portion of your vested account balance.

## **BORROWING FROM YOUR ACCOUNT**

Additionally, you may borrow against your vested Plan account balance in certain circumstances and up to certain limits, in accordance with the Plan's loan procedures.

## **SUSPENSION OF SAFE HARBOR MATCHING CONTRIBUTIONS**

Hertz retains the right to reduce or suspend safe harbor matching contributions at any time. If Hertz chooses to do so, you will receive a supplemental notice explaining the reduction or suspension of the safe harbor matching contributions at least 30 days before the change is effective. Hertz will contribute any safe harbor matching contributions you have earned up to that point. At this time, Hertz has no such intention to suspend or reduce the safe harbor matching contribution.

## **FOR MORE INFORMATION**

You have the ability to direct the investment of your contributions among the Plan's available investment funds. You can request a copy of the Plan's SPD, access your account information, make contribution and investment changes, and learn more about the benefits and features of the Plan at any time by logging on to the Savings Plan Website at <http://401k.com>. For assistance on the Savings Plan Website, call the Savings Plan Call Center at 1-800-835-5095 and speak directly with a customer service representative. You will need your Social Security Number and PIN when logging on or calling.

*All Plan benefits will be administered and provided in accordance with the terms of the applicable legal plan documents (as interpreted by the plan administrator). In the event of any conflict between this notice and the terms of the legal plan documents, the legal plan documents (as interpreted by the plan administrator) will govern. As always, Hertz and its affiliates reserve the right and discretion to amend or terminate the Plan at any time in accordance with applicable law. This notice is not a promise or guarantee of employment or future employment for any duration. This notice is provided for informational purposes and should not be construed as investment advice from Hertz and its affiliates.*

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