

AVIS BUDGET GROUP, INC.
Form DEF 14A
March 29, 2016

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities and 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

Avis Budget Group, Inc.

(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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March 29, 2016

Dear Fellow Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of Avis Budget Group, Inc., which will be held at the DoubleTree by Hilton Downtown Wilmington—Legal District, 700 N. King Street, Wilmington, Delaware 19801 on Wednesday, May 25, 2016, at 11:00 a.m., Eastern Time. We look forward to greeting as many of our stockholders as possible.

This booklet includes the Notice of Annual Meeting and the Proxy Statement. The Proxy Statement describes the business to be conducted at the Annual Meeting and provides other information concerning our company of which you should be aware when you vote your shares.

Your vote is important to us. Whether or not you attend the Annual Meeting, it is important that your shares be represented and voted at the meeting.

On behalf of the Board of Directors and the employees of Avis Budget Group, Inc., we would like to thank you for being a stockholder and express our appreciation for your ongoing support of our Company.

Sincerely,

Larry D. De Shon
Chief Executive Officer and
Chief Operating Officer

Ronald L. Nelson
Executive Chairman of the Board

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Notice of 2016 Annual Meeting
of Stockholders

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Avis Budget Group, Inc. (the “Company”) will be held on Wednesday, May 25, 2016, at 11:00 a.m. Eastern Time, at the DoubleTree by Hilton Downtown Wilmington—Legal District, 700 N. King Street, Wilmington, Delaware 19801 (the “Meeting”), to consider and vote upon the following matters:

1. To elect as directors the thirteen nominees named in the accompanying proxy statement for a one-year term expiring in 2017 and until his or her successor is duly elected and qualified or until his or her earlier resignation or removal.
2. To ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for fiscal year 2016.
3. To provide advisory approval of the compensation of our named executive officers.
4. To approve the Avis Budget Group, Inc. Amended and Restated Equity and Incentive Plan.
5. To transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The Board of Directors has fixed the close of business on March 28, 2016 as the record date for the Meeting. Only stockholders of record at that time are entitled to notice of, and to vote at, the Meeting and any adjournment or postponement thereof. A list of stockholders entitled to vote at the Meeting will be available for examination by any stockholder, for any purpose germane to the Meeting, at the Meeting and for ten days prior to the Meeting during ordinary business hours at 6 Sylvan Way, Parsippany, New Jersey 07054, the Company’s principal place of business.

**Important Notice Regarding the Availability of Proxy Materials
for the Stockholder Meeting to Be Held on May 25, 2016**

**The Company’s Proxy Statement on Schedule 14A,
form of proxy card and 2015 Annual Report on Form 10-K
are available at:**

www.edocumentview.com/CAR

By Order of the Board of Directors

Jean M. Sera
Senior Vice President & Corporate Secretary

Dated: March 29, 2016

Proxy Statement

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2016 Proxy Summary

This summary highlights information contained elsewhere in this proxy statement, including under "Executive Compensation," which includes a definition and reconciliation of Adjusted EBITDA. This summary does not contain all of the information that you should consider and you should read the entire proxy statement carefully before voting.

Annual Meeting of Stockholders

- Date and Time May 25, 2016 11:00 a.m. Eastern Time
DoubleTree by Hilton Downtown Wilmington—Legal District
- Place 700 N. King Street
Wilmington, Delaware 19801
- Record Date March 28, 2016

Voting Matters and Vote Recommendations

Voting Matters

	Proposal No.	Our Board's Vote Recommendation
Election of Directors (page 44)	1	"FOR" all thirteen director nominees
Ratification of Appointment of Auditors (pages 45-46)	2	"FOR"
Advisory Approval of the Compensation of our Named Executive Officers (page 47)	3	"FOR"
Approval of the Avis Budget Group, Inc. Amended and Restated Equity and Incentive Plan (pages 48-53)	4	"FOR"

Corporate Governance Highlights

More than 80% of directors are independent	Robust executive and director stock ownership guidelines
Independent Presiding Director	No incumbent director nominee who served on the Board in 2015 attended less than 75% of Board and Committee meetings held in 2015
All members of Compensation, Corporate Governance and Audit Committees are independent	Policy requiring annual performance evaluation of the Board
Annual election of the entire Board	

Majority voting with a director resignation policy for
directors in uncontested elections

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2015 Company Performance

Our Company reported record results in 2015, achieving \$8.5 billion in revenue and \$903 million in Adjusted EBITDA, a year-over-year increase of 3%. On a constant-currency basis, our revenue and Adjusted EBITDA grew 5% and 9%, respectively. We also returned capital to our shareholders in 2015 through the repurchase of a record 8.8 million shares of common stock, representing 8% of our outstanding shares. In spite of these records, our 2015 financial results were below the business plan goals we set for ourselves, and in 2015 our stock price declined, after having increased from \$10.72 to \$66.33 over the prior three years. Since 2011, we have spent more than \$1.0 billion on share and convertible note repurchases, which together have reduced our diluted share count by 22% from its peak in 2011. Our 2015 financial results reflect a continued focus on managing costs and driving efficiency as well as more investment in technology than ever before.

2015 Compensation for our Named Executive Officers

In 2015, following a long-standing succession planning process, our Board of Directors (the “Board”) announced that it had selected Larry D. De Shon as the Company's next chief executive officer, effective January 1, 2016, succeeding Ronald L. Nelson, who held the position since 2006. Mr. De Shon was also appointed to the Board. Mr. Nelson has agreed to continue as executive chairman to ensure a smooth transition of CEO responsibilities to Mr. De Shon.

In addition, David B. Wyshner assumed the role of the Company's President, effective January 1, 2016, adding to his responsibilities as Chief Financial Officer. Mark J. Servodidio, formerly Managing Director, Europe, was promoted and assumed Mr. De Shon's regional leadership responsibilities as President, International, and Joseph Ferraro continues to lead the Company's Americas region as President, Americas.

We believe that the management transitions described above have been implemented seamlessly and that the Company had a strong internal talent pool to draw upon to fill its leadership positions because of the Company's successful talent development efforts over the last several years.

Compensation for our named executive officers in 2015 increased primarily as a result of the implementation of our succession plan, as described above. In connection with this plan, Mr. De Shon and Mr. Wyshner each received a special promotion restricted stock unit award with a grant date value of \$3.0 million, and Mr. Nelson received a special transition restricted stock unit award with a grant date value of \$2.0 million. Because our 2015 global Adjusted EBITDA results were below our business plan goals, most of our named executive officers received below-target payouts under the annual incentive program in keeping with our pay-for-performance philosophy.

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About the Annual Meeting

Why am I receiving these proxy materials?

The Board of Directors of Avis Budget Group, Inc. (the “Company” or “Avis Budget”) is soliciting your vote at the 2016 Annual Meeting of Stockholders, and any adjournment or postponement thereof (the “Meeting”), to be held Wednesday, May 25, 2016 at 11:00 a.m. Eastern Time, at the DoubleTree by Hilton Downtown Wilmington—Legal District, 700 N. King Street, Wilmington, Delaware 19801, for the purposes set forth in this Proxy Statement. On or about April 4, 2016, the Company will first mail to certain stockholders of record the Notice of Internet Availability of Proxy Materials containing instructions on how to access this Proxy Statement online, or in the alternative, request a paper copy of the proxy materials and a proxy card, and also will first mail to certain other stockholders this Proxy Statement and proxy card.

What items will I be voting on and what are the Board’s voting recommendations?

Proposal

No. 1: Election of Directors (see page 44)

No. 2: Ratification of Appointment of Auditors (see pages 45-46)

No. 3: Advisory Approval of the Compensation of our Named Executive Officers

(see page 47)

No. 4: Approval of the Avis Budget Group, Inc. Amended and Restated Equity

and Incentive Plan (see pages 48-53)

Board’s Voting Recommendation

“FOR” each nominee

“FOR”

“FOR”

“FOR”

Could other matters be decided at the Meeting?

The Board of Directors is not aware of any other matters to be brought before the Annual Meeting. However, if any other matters properly come before the Meeting, the individuals named as proxies, or their duly constituted substitutes acting at the Meeting, will be authorized to vote or otherwise act thereon in accordance with their judgment on such matters.

How many votes do I have?

You will have one vote for every share of the Company’s common stock, par value \$0.01 per share (the “Common Stock”), you owned as of the close of business on March 28, 2016 (the “Record Date”).

How many votes can be cast by all stockholders?

95,281,721 votes, consisting of one vote for each of the Company’s shares of Common Stock that were outstanding on the Record Date. There is no cumulative voting, and the holders of the Common Stock vote together as a single class.

How many votes must be present to hold the Meeting?

One-third of the outstanding shares of Common Stock entitled to vote at the Meeting, or 31,760,574 votes, must be present, in person or by proxy, to constitute a quorum at the Meeting. Abstentions and broker non-votes will be counted for the purpose of determining whether a quorum is present.

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How many votes are required to elect directors and adopt the other proposals?

Proposal	Vote Requirement	Impact of Abstentions
No. 1: Election of Directors	Uncontested Election: Directors are elected by a majority of votes cast (number of votes cast “for” each nominee must exceed the number of votes cast “against” that nominee)	Not counted as votes cast “for” or “against” and will have no effect on the outcome
No. 2: Ratification of Appointment of Auditors	Contested Election: Plurality of shares present, in person or by proxy, and entitled to vote Majority of shares present, in person or by proxy, and entitled to vote	Counted and will have the same effect as a vote against such proposal
No. 3: Advisory Approval of the Compensation of our Named Executive Officers	Majority of shares present, in person or by proxy, and entitled to vote	Counted and will have the same effect as a vote against such proposal
No. 4: Approval of the Avis Budget Group, Inc. Amended and Restated Equity and Incentive Plan	Majority of shares present, in person or by proxy, and entitled to vote	Counted and will have the same effect as a vote against such proposal

Under the by-laws of the Company, each incumbent director is required to submit a contingent, irrevocable resignation that the Board of Directors may accept if the director fails to receive the required vote for election or re-election in an uncontested election. The Corporate Governance Committee is required to make a recommendation to the Board as to the action to be taken with respect to the tendered resignation. The Board is required to act on the resignation within 90 days of the date of certification of election results.

A broker non-vote occurs when a broker does not have discretion to vote on a particular proposal and the broker has not received instructions from the beneficial owner of the shares of common stock as to how to vote on such proposal. If you hold your shares of Common Stock in “street name” and do not provide voting instructions to your broker within the required time frame before the Annual Meeting, your shares of Common Stock will not be voted by the broker for Proposal Nos. 1, 3 or 4, but the broker will have the discretion to vote your shares of Common Stock on Proposal No. 2. As a result, broker non-votes will have no effect on the outcome of Proposal Nos. 1, 3 or 4.

Why did certain stockholders receive in the mail a one-page Notice regarding Internet availability of this Proxy Statement rather than a printed copy?

To conserve natural resources and reduce costs, we are sending to a portion of our stockholders, based on ownership level, a Notice containing instructions on how to access this Proxy Statement online, as permitted by Securities and Exchange Commission (“SEC”) rules. If you received a Notice of Internet Availability by mail, you will not receive a printed copy of this Proxy Statement in the mail. Instructions on how to access this Proxy Statement over the Internet or how to obtain printed copies, if you prefer, are set forth in such Notice.

How do I vote?

You should submit your proxy or voting instructions as soon as possible. If you received or requested printed copies of the proxy materials by mail, the materials will include a proxy card, for registered stockholders (that is, if you hold your stock directly in your name through our transfer agent), or a vote instruction form (“VIF”) for beneficial owners (if your shares are held in “street name” such as in a stock brokerage account, by a bank or other nominee). Whether you are a registered stockholder or hold any of your shares in “street name,” you may vote in the following ways:

By Phone

If you received or requested printed copies of the proxy materials by mail, in the U.S. or Canada, vote by dialing the number on the proxy card/VIF

By Internet

Follow the instructions included on the proxy card/VIF or Notice of Internet Availability

By Mail

If you received or requested printed copies of the proxy materials by mail, vote by marking, dating and signing the proxy card or VIF and returning it promptly in the envelope provided

In Person

Attend the Meeting and vote in person. If you hold any shares in “street name,” you may not vote in person unless you bring with you a legal proxy from the organization that holds your shares

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In all cases, the deadline for voting by telephone or via the Internet is 11:59 p.m., Eastern Time, on May 24, 2016.

Can I change my vote?

Yes. You may revoke your proxy at any time prior to the voting at the Meeting if, in accordance with the voting procedures described above, you:

vote again (including by phone or Internet by the applicable deadline); or

complete, sign, date and return a new proxy card or VIF with a later date; or

give timely written notice of such revocation to our Corporate Secretary at 6 Sylvan Way, Parsippany, N.J. 07054; or

attend the Meeting and vote in person.

What if I do not vote for some of the proposals?

Shares of Common Stock represented by proxies received by the Company (whether through the return of a proxy card or VIF), that do not contain voting instructions, or if you vote by telephone or electronically via the Internet without indicating how you want to vote, your shares will be voted:

“FOR” the election of all thirteen nominees for the Board of Directors (Proposal No. 1);

“FOR” the ratification of the appointment of auditors (Proposal No. 2);

“FOR” the proposal regarding advisory approval of the compensation of our named executive officers (Proposal No. 3);
and

“FOR” the approval of the Avis Budget Group, Inc. Amended and Restated Equity and Incentive Plan (Proposal No. 4).

How do participants in savings plans vote?

If you hold shares of Common Stock in the “Avis Budget Group, Inc. Employee Savings Plan” or the “AB Car Rental Services Retirement Savings Plan for Bargaining Hourly Employees” (collectively, the “Savings Plans”), you will receive a proxy card that covers shares of Common Stock held for you in the Savings Plans. In accordance with the provisions of the Savings Plans, the respective trustees will vote your shares of Common Stock as you have directed. To the extent such instructions are not received prior to noon Eastern Time on May 18, 2016, the trustees of the Savings Plans will vote the shares of Common Stock with respect to which it has not received instructions proportionately in accordance with the shares of Common Stock for which it has received instructions. Instructions given with respect to shares of Common Stock in accounts of the Savings Plans may be changed or revoked only in writing, and no such instructions may be revoked after noon Eastern Time on May 18, 2016. Participants in the Savings Plans are not entitled to vote in person at the Meeting.

Do I need a ticket to attend the Meeting?

Yes. Admission will be by ticket only. Admission to the Meeting will be expedited if tickets are obtained in advance.

Registered stockholders: Bring the bottom portion of the proxy card enclosed with this Proxy Statement (or obtained via the Internet) as your Meeting ticket. Notices will not be accepted as a Meeting ticket.

Beneficial owners: If you own shares of Common Stock through an intermediary, such as a bank or broker, request tickets in writing from the Corporate Secretary at Avis Budget Group, Inc., 6 Sylvan Way, Parsippany, N.J. 07054. Please include proof of ownership, such as a bank or brokerage firm account statement or letter from the broker, trustee, bank or nominee holding your stock, confirming beneficial ownership as of the Record Date.

Stockholders without advance tickets: Stockholders who do not obtain tickets in advance may obtain tickets on the Meeting date at the registration desk upon verifying their stock ownership as of the Record Date.

Attendance at the Meeting will be limited to stockholders as of the Record Date, their authorized representatives and guests of the Company. Tickets may be issued to others at the discretion of the Company. In accordance with the Company’s security procedures, all persons attending the Meeting must present picture identification along with their admission ticket or proof of beneficial ownership in order to gain admission. Cameras and recording devices will not be permitted at the Meeting.

How can I find the voting results of the Annual Meeting?

Voting results will be tallied by the inspector of election. The Company will report the final results in a Current Report on Form 8-K, to be filed with the SEC within four business days following the Meeting.

How can I access the Company’s proxy materials and annual report electronically?

This Proxy Statement and the Company's 2015 Annual Report may be viewed online at www.edocumentview.com/CAR. If you are a stockholder of record, you can elect to receive future annual reports and

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proxy statements electronically by following the instructions provided if you vote via the Internet or by telephone, or by enrolling through the transfer agent's website at www.envisionreports.com/CAR. If you choose this option, you will receive a proxy form in April 2017 listing the website locations where proxy materials will be posted, and your choice will remain in effect until you notify us by mail that you wish to resume mail delivery of these documents. If you hold your shares of Common Stock through a bank, broker or another holder of record, refer to the information provided by that entity for instructions on how to elect this option.

How does a stockholder nominate someone to be a director?

Director nominations may be made by a stockholder so long as the qualifying stockholder follows the procedures outlined in the amended and restated by-laws of the Company. Pursuant to our by-laws, for a nomination to be made by a stockholder, such stockholder must have given the proper notice within the specific time limits set forth in the relevant provision therein. For the 2017 annual meeting, the Company must receive this notice on or before February 24, 2017. Such notice and nomination should be submitted in writing to the Corporate Secretary of the Company and should include the information required for stockholder nominations set forth in the Company's by-laws.

A copy of the full text of the Company's by-law provision describing the procedure for stockholder nominations may be accessed in the "Investor Relations—Corporate Governance" section of the Company's website at www.avisbudgetgroup.com. Nothing contained in any section of the Company's website is incorporated by reference into this Proxy Statement.

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Corporate Governance

Board of Directors

The Board of Directors (the “Board”) currently consists of thirteen members. Each of the directors elected at the Meeting will serve for a term of one year expiring at the 2017 annual meeting of stockholders and until his or her successor is duly elected and qualified or until his or her earlier resignation or removal. The name of each present director, his or her position with the Company, and principal occupations and directorships held with other public companies during the past five years are set forth below. In addition to the information presented below regarding each director’s experience, skills and attributes that contribute to the effectiveness of the Board as a whole, we believe each director possesses valuable business management and leadership skills, demonstrates an ability to exercise sound judgment and business acumen, and brings unique perspective to the Board.

Biographical Information for Nominees

RONALD L. NELSON

Executive Chairman of the Board

Board Committees: Executive (Chair)

Mr. Nelson, age 63, has been Chairman of the Board of Avis Budget Group, Inc. since August 2006, and was a member of the Board of Cendant Corporation (as we were previously known) from April 2003 to August 2006. Mr. Nelson served as Chief Executive Officer of the Company from August 2006 until December 31, 2015, and also held the titles of President and Chief Operating Officer from June 2010 until October 2015. Previously, Mr. Nelson held several executive finance and operating roles, starting in April 2003, with Cendant Corporation, including as Chief Financial Officer and President. From November 1994 to March 2003, Mr. Nelson was Co-Chief Operating Officer of DreamWorks SKG. Prior thereto, he was Executive Vice President, Chief Financial Officer and a director at Paramount Communications, Inc., formerly Gulf + Western Industries, Inc. Mr. Nelson serves on the boards of Convergys Corporation and Hanesbrands, Inc., which both file reports pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Specific Qualifications, Attributes, Skills and Experience:

Chief Executive Officer, Chief Financial Officer and Chief Operating Officer experience

Extensive Company and industry experience

Significant operating and financial expertise

LARRY D. DE SHON

Board Committees: Executive

Mr. De Shon, age 56, has been Chief Executive Officer and Chief Operating Officer of Avis Budget Group, Inc. since January 1, 2016 and has been a director since October 2015. Previously, Mr. De Shon held the title of President and Chief Operating Officer from October 2015 through December 2015, President, International from January 2015 until October 2015, President, Europe, Middle East and Africa (“EMEA”) from October 2011 until January 2015, and Executive Vice President, Operations from October 2006 through October 2011. Prior to joining the Company, Mr. De Shon spent 28 years at United Airlines, starting as a customer service representative and advancing to hold a number of positions of increasing responsibility during his tenure, including Senior Vice President positions in marketing, on-board service and global airport operations.

Specific Qualifications, Attributes, Skills and Experience:

Chief Executive Officer experience

Extensive operating experience

International experience

Significant Company and industry experience

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ALUN CATHCART

Board Committees: Audit

Mr. Cathcart, age 72, has been a director since October 2011. Mr. Cathcart was non-executive Chairman of the Board of Avis Europe Plc from May 2004 through October 2011 and also served as Chairman of the Nominations Committee and a member of the Remuneration Committee. Mr. Cathcart served as a member of the Board of Avis Europe from 1997 until it was acquired by Avis Budget Group in 2011. From 1983 to 1999, Mr. Cathcart was Chairman and Chief Executive of Avis Europe and he also served as Interim Chief Executive from November 2003 until March 2004. Mr. Cathcart spent 14 years in executive positions in the transportation industry before joining Avis Europe in 1980. Mr. Cathcart serves as Chairman of Palletways Group Limited.

Specific Qualifications, Attributes, Skills and Experience:

Chief Executive Officer experience

Extensive industry experience

Broad international experience, particularly in Europe

Financial expertise

BRIAN J. CHOI

Board Committees: Compensation

Mr. Choi, age 32, has been a director since January 2016. Mr. Choi is a partner at SRS Investment Management LLC and certain of its affiliates and has served in various roles at SRS since October 2008. Previously, Mr. Choi was at Metalmark Capital from 2007 to 2008 and he also served as an analyst in the Leveraged Finance Group at Lehman Brothers from 2005 to 2007. Mr. Choi was appointed to the Board pursuant to the terms of a cooperation agreement dated January 25, 2016 between our Company and SRS Investment Management, our largest stockholder at such time (the "Cooperation Agreement").

Specific Qualifications, Attributes, Skills and Experience:

Financial expertise

Industry expertise

Diverse personal background

MARY C. CHOKSI

Board Committees: Audit, Corporate Governance

Ms. Choksi, age 65, has been a director since March 2007. Ms. Choksi has been a Senior Advisor at Strategic Investment Group since August 2015. Previously, Ms. Choksi was Founding Partner and Senior Managing Director of Strategic Investment Group (“Strategic”), an investment management group founded in 1987, which designs and implements global investment strategies for large institutional and individual investors. Within Strategic, Ms. Choksi has been a member of the investment strategy group charged with overseeing the asset mix of globally diversified client portfolios, has supervised reporting to all clients and has had responsibilities in corporate planning. Ms. Choksi was also a Founding Partner and, until May 2011, a Managing Director at Emerging Markets Investors Corporation (“EMI”). EMI and its successor, Ashmore EMM, manage portfolios of marketable equities in the emerging markets of Asia, Europe, Latin America, Africa and the Middle East on behalf of institutional and private investors. Prior to the establishment of Strategic and EMI, Ms. Choksi worked in the Pension Investment Division of the World Bank, which was responsible for investing the institution's pension plan. Before joining the Bank's finance complex, she worked for nine years in the development arm of the Bank, working on South and Southeast Asia. Ms. Choksi also serves on the board of Omnicom Group Inc., which files reports pursuant to the Exchange Act, and is a member of Omnicom's Audit and Finance Committees. Ms. Choksi also serves as a trustee of various mutual funds in the Franklin Funds family.

Specific Qualifications, Attributes, Skills and Experience:

Financial and executive management expertise

Broad international experience

Diverse personal background

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LEONARD S. COLEMAN

Presiding Director

Board Committees: Compensation, Corporate Governance (Chair)

Mr. Coleman, age 67, has been a member of the Board of Avis Budget Group, Inc. since August 2006, and was a member of the Board of Cendant Corporation (as we were previously known) from 1997 to August 2006. Mr. Coleman was a Senior Advisor to Major League Baseball from 1999 to December 2005. Mr. Coleman was the President of The National League of Professional Baseball Clubs from 1994 to 1999, having served from 1992 to 1994 as Executive Director, Market Development of Major League Baseball. Previously, Mr. Coleman was a municipal finance banker for Kidder, Peabody & Company. Prior to joining Kidder, Mr. Coleman served as commissioner of the New Jersey Department of Community Affairs and the Department of Energy, and chairman of the Hackensack Meadowlands Development Commission and the New Jersey Housing and Mortgage Finance Agency. He also served as the vice chairman of the State Commission on Ethical Standards, and a member of the Economic Development Authority, Urban Enterprise Zone Authority, Urban Development Authority, State Planning Commission and New Jersey Public Television Commission. Mr. Coleman is also a director of the following corporations which file reports pursuant to the Exchange Act: Aramark Holdings Corporation, Electronic Arts Inc. and Omnicom Group Inc. Mr. Coleman previously served on the board of Churchill Downs Incorporated.

Specific Qualifications, Attributes, Skills and Experience:

History with the Company

Public service background

Executive management experience

International experience

Diverse personal background

JEFFREY H. FOX

Board Committees: Compensation

Mr. Fox, age 54, has been a director since July 2013. Mr. Fox is a principal of The Circumference Group LLC, an investment and advisory firm which he founded in 2009. Mr. Fox was President and Chief Executive Officer of Convergys Corporation from 2010 to November 2012, and then Executive Chairman until April 2013. Previously, Mr. Fox worked for Alltel Corporation as Chief Operating Officer from 2007 through 2008, and as a Group President from 1996 until 2007. Prior to joining Alltel, Mr. Fox worked in investment banking for ten years with Stephens Inc., preceded by two years with Merrill Lynch, specializing in mergers and acquisitions advisory services. Mr. Fox also currently serves as non-executive Chairman of the Board of Convergys Corporation, a company that files reports pursuant to the Exchange Act.

Specific Qualifications, Attributes, Skills and Experience:

Chief Executive Officer and Chief Operating Officer experience

Technology expertise

Significant operating experience

Financial expertise

JOHN D. HARDY, JR.

Board Committees: Compensation (Chair)

Mr. Hardy, 72, has been a director since April 2008. From 1973 until his retirement in 2008, Mr. Hardy was first an associate and later a partner at the law firm of O'Melveny & Myers LLP, where he practiced corporate and securities law and served on the firm's compensation and bonus committee. From June 2008 through June 2009, Mr. Hardy was a partner at the law firm of Venable LLP, where he focused on recruitment and practice development for the firm's West Coast business practice.

Specific Qualifications, Attributes, Skills and Experience:

Extensive legal background

Significant securities law expertise

Compensation experience

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LYNN KROMINGA

Board Committees: Audit, Compensation

Ms. Krominga, age 65, has been a director since October 2006. Ms. Krominga is a management consultant and attorney. Since 1999, Ms. Krominga has been a consultant to private equity and venture capital investors, in which capacity she served in a number of operating and board positions, including Chief Executive Officer of Fashion Wire Daily, Inc.; Director and member of the Audit Committee of AHAVA, a global cosmeceuticals company; and advisor to London-based Apax Partners for acquisitions in Israel and the United States. She is the former President (and founder) of the Revlon Worldwide Licensing Division, and previously served as General Counsel and as International Counsel for Revlon's global operations. Until January 2013 (when the company was sold), Ms. Krominga served as Lead Director of Sunrise Senior Living, Inc. From March through November 2008, she served as Chairman of the Board of Sunrise Senior Living; as Chairman of the Compensation Committee from 2008 to 2011; and as a member of the Audit, Compensation and Governance Committees from 2007 to 2013. Prior to joining Revlon, she was an attorney at American Express Company and an associate at Cleary, Gottlieb, Steen & Hamilton.

Specific Qualifications, Attributes, Skills and Experience:

Significant legal, governance, licensing and regulatory expertise

International experience

Executive management experience and financial expertise

Diverse personal background

EDUARDO G. MESTRE

Board Committees: Executive

Mr. Mestre, age 67, has been a director since July 2008. Mr. Mestre has been Senior Advisor of Global Advisory at Evercore Partners Inc., an independent investment banking advisory firm, since April 2014. From February 2012 until April 2014, he was a Senior Managing Director and Chairman of Global Advisory of Evercore Partners, and from October 2004 until February 2012, he was a Vice Chairman of Evercore Partners. Prior to joining Evercore, Mr. Mestre served as Chairman of Investment Banking at Citigroup, among numerous leadership positions he held during

a 27-year career there. Mr. Mestre also serves as a director of Comcast Corporation, a company that files reports pursuant to the Exchange Act.

Specific Qualifications, Attributes, Skills and Experience:

Financial expertise

Extensive advisory experience

Diverse personal background

F. ROBERT SALERNO

Board Committees: Executive

Mr. Salerno, age 64, has been a director since August 2006. Mr. Salerno was previously Vice Chairman of the Company from June 2010 through December 2011, and President and Chief Operating Officer of the Company from August 2006 to June 2010. For nearly 30 years, Mr. Salerno held numerous leadership positions with the Company, including as chief executive of Cendant's vehicle rental business and as President and Chief Operating Officer of Avis from 1996 to November 2002. Mr. Salerno serves on the board of Norwegian Cruise Line Holdings, Ltd., which files reports pursuant to the Exchange Act.

Specific Qualifications, Attributes, Skills and Experience:

Chief Operating Officer experience

Extensive Company and industry experience

Significant operating experience

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STENDER E. SWEENEY

Board Committees: Audit (Chair), Corporate Governance

Mr. Sweeney, age 77, has been a director since August 2006. Mr. Sweeney has been a financial advisor and equity investor in several privately held enterprises since 1998. In 1997, Mr. Sweeney served in a senior financial and operating capacity for a joint venture between DreamWorks SKG and Pacific Data Images. From 1995 to 1996, Mr. Sweeney was the Chief Executive Officer and a director of Vehicle Information Network, a database management and marketing company. From 1994 to 1995, Mr. Sweeney was the Chief Financial Officer and Principal of The Onyx Group, a shopping center development and management company. From 1968 to 1994, Mr. Sweeney served in various positions at The Times Mirror Company, the last eight years of which as Vice President, Finance. Mr. Sweeney serves on the board of the Payden & Rygel Investment Group, which files reports pursuant to the Exchange Act.

Specific Qualifications, Attributes, Skills and Experience:

Operating experience

Accounting expertise

Financial expertise

SANOKE VISWANATHAN

Board Committees: None

Mr. Viswanathan, age 40, has been a director since March 2016. Mr. Viswanathan has been the Chief Administrative Officer of JPMorgan Chase & Co.'s Corporate & Investment Bank, overseeing technology, operations and controls since 2014. Previously, Mr. Viswanathan was head of strategy, marketing and new business development for the Corporate & Investment Bank from 2012 to 2013 and head of corporate strategy for JPMorgan Chase from 2010 to 2012. Prior to joining JPMorgan Chase, Mr. Viswanathan was a partner at McKinsey & Co. and co-head of its global corporate and investment banking practice, serving financial institutions in Asia, Europe and North America on strategy, organization and risk management topics. Mr. Viswanathan has been on the Board of Sadler's Wells Theatre in London since 2014. Mr. Viswanathan was appointed to the Board pursuant to the terms of the Cooperation Agreement.

Specific Qualifications, Attributes, Skills and Experience:

Technology, operating, strategy, marketing and business development experience

Risk management and controls expertise

Advisory experience

International experience

Diverse personal background

Functions and Meetings of the Board of Directors

The Company's corporate governance guidelines, director independence criteria, committee charters, codes of conduct and other documents setting forth the Company's corporate governance practices can be accessed in the "Investor Relations—Corporate Governance" section of the Company's website at www.avisbudgetgroup.com.

Director Independence

To determine director independence, our Board of Directors reviews commercial and charitable relationships of each director to evaluate such director's independence in accordance with the listing standards of the NASDAQ Stock Market LLC ("NASDAQ") and pursuant to our own director independence criteria, which can be accessed on our website at www.avisbudgetgroup.com. In conducting its review, the Board of Directors considers a number of factors, including the director's and his or her family members' relationships with the Company and its subsidiaries, affiliates, executive officers and auditors and his or her relationships with foundations, universities and other non-profit organizations to which the Company has made a certain level of contributions during the past three years.

After evaluating the factors described above, the Board of Directors has affirmatively determined that eleven of our current directors are independent in accordance with NASDAQ corporate governance listing standards and our own director independence criteria. In determining that Mr. Viswanathan is independent, the Board of Directors considered that he is employed by JPMorgan Chase & Co. ("JPM") and that JPM and its affiliates provide various commercial banking, investment banking and other financial services to the Company and its subsidiaries for which they have received customary fees. However, the Board did not believe that the Company's relationship with JPM impacted the independence of Mr. Viswanathan for the following reasons:

JPM is a large multi-national financial institution; and the Company has had a relationship with JPM for many years prior to Mr. Viswanathan's appointment to the

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Board as well as Mr. Viswanathan's employment with JPM;

Mr. Viswanathan has no involvement (either in his capacity as a director of the Company or as an employee of JPM) in the selection of JPM to provide the services described above or the terms or pricing of any such services, and is not directly involved in the provision of services to the Company as his role with JPM involves primarily overseeing technology, operations and controls of JPM's Corporate & Investment Bank segment;

the Company utilizes a variety of financial institutions to provide commercial banking, investment banking and other financial advisory services;

JPM was not involved in the process of Mr. Viswanathan being selected to serve on the Board; and

Mr. Viswanathan's appointment was recommended to the Board by SRS pursuant to the Cooperation Agreement.

Independent Directors

Alun Cathcart	John D. Hardy, Jr.
Brian J. Choi	Lynn Krominga
	Eduardo G. Mestre
Mary C. Choksi	F. Robert Salerno
Leonard S. Coleman	Stender E. Sweeney
Jeffrey H. Fox	
	Sanoke Viswanathan

We also maintain a Corporate Governance Committee, a Compensation Committee and an Audit Committee, and all of the directors serving on these committees are independent based upon NASDAQ corporate governance listing standards and our own director independence criteria.

Board Leadership Structure

Our current Board leadership structure consists of:

Executive Chairman of the Board: Ronald L. Nelson;

Chief Executive Officer: Larry D. De Shon;

Presiding Director (our independent lead director): Leonard S. Coleman; and

Fully independent Compensation, Corporate Governance and Audit Committees.

The Board of Directors, which is comprised of individuals who have extensive experience with board processes, has determined that the current leadership structure, as described above, best serves the Company and its stockholders.

The Board split the roles of Chief Executive Officer and Chairman when Mr. Nelson stepped down from the role of Chief Executive Officer at the end of 2015. However, the Board does not currently have a requirement that the roles of Chief Executive Officer and Chairman of the Board be separated, because the Board believes it is in the best interests of our Company to make this determination based on the position and direction of our Company and the constitution of the board and management team from time to time.

The Board believes that the recent implementation of a carefully considered succession plan demonstrates that the Board takes seriously its responsibility to determine who should serve as Chairman at any point in time in light of the specific circumstances facing our Company. In September 2015, after careful consideration, the Board determined that having Mr. Nelson serve as Chairman is in the best interest of the Company and its stockholders at this time. Mr. Nelson, who served as the Company's Chairman and Chief Executive Officer until December 31, 2015, currently continues to serve as our Chairman following Mr. De Shon's appointment as Chief Executive Officer effective as of January 1, 2016. Mr. Nelson's knowledge of our Company's operations and strategy provide a valuable resource to both the Board and Mr. De Shon, which has helped facilitate a smooth transition of the Chief Executive Officer role. Mr. Nelson also has significant knowledge of the people, information and resources necessary to facilitate effective communication between management and the Board, which contributes to an efficient and effective board.

The independent members of the Board have designated Mr. Coleman to serve in the position of Presiding Director. The position of Presiding Director was established by the Board to designate an independent lead director whose primary responsibilities include:

presiding at all meetings of the Board at which the Chairman of the Board is not present, including periodic executive sessions of the independent members of the Board of Directors;

serving as liaison between the Chairman of the Board and the independent directors;

advising the Chairman of the Board with respect to information, meeting schedules and agendas sent to the Board;

providing advice with respect to the selection of committee chairs and performing other duties that the Board of Directors may from time to time delegate to assist it in the fulfillment of its responsibilities, including the authority to

call meetings of the independent directors of the Board;

serving as the principal liaison for stockholder communications directed specifically to the Board;

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leading the Board's annual self-evaluation;

leading the Board's involvement in succession planning; and

assisting in assuring compliance with, and implementation of, the Corporate Governance Guidelines.

Such delegation of well-defined responsibilities to a lead independent director helps ensure that an appropriate independent leadership structure is in place.

Mr. Coleman brings a history of leadership experience as a lead independent director. As our Presiding Director, Mr. Coleman provides the Board with independent leadership and facilitates the independence of the Board from management.

Risk Management and Risk Assessment

Management is responsible for assessing risk and for day-to-day risk management activities. The Board executes its oversight responsibility for risk assessment and risk management, acting directly and through its Committees, as follows:

Board/Committee	Responsibility/Role
Audit Committee	Assists in the Board's oversight of the Company's: major financial risk exposures and the steps management has undertaken to control such risks; risks associated with information technology and cybersecurity; and compliance with legal and regulatory requirements.
Compensation Committee	

Oversees risks associated with our compensation policies and practices with respect to executive compensation.

Corporate Governance
Committee

Oversees risks associated with corporate governance.

Full Board

Receives reports from the Committees at every regular Board meeting.

Considers specific risk topics.

Receives regular reports from members of senior management that include discussion of the risks and exposures involved in their respective areas of responsibility. Such reports are provided in connection with and discussed at Board meetings.

In 2016, consistent with past practice, management reviewed the Company's compensation policies and practices for employees generally as they relate to risk management. As part of this process, management reviewed the Company's incentive compensation programs applicable to all employees with the chairmen of the Audit and Compensation Committees and the compensation consultant engaged by the Compensation Committee to determine whether such programs create incentives that might motivate inappropriate or excessive risk-taking. In the course of such review, mitigating features of the Company's incentive compensation programs were considered, including: (1) the Company's recoupment policies; (2) that virtually all of the Company's annual incentive programs allow for "downward discretion," which permits the Company to reduce incentive compensation payouts; and (3) that executive officers are subject to share ownership and retention guidelines. As a result of this process, there were no recommended changes to the Company's incentive compensation programs.

Communicating with the Board of Directors

Stockholders and other interested parties may send communications directly to the Board of Directors by writing to the following address:

Board of Directors, c/o the Corporate Secretary, Avis Budget Group, Inc., 6 Sylvan Way, Parsippany, N.J. 07054.

In addition, all parties interested in communicating directly with the Presiding Director or with any other independent director may do so by writing to Avis Budget Group, Inc. at the same address, Attention: Presiding Director, c/o the Corporate Secretary or via e-mail at *presiding.director@avisbudget.com*. The Presiding Director is responsible for

reviewing and distributing all interested parties' communications received to the

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intended recipients and/or to the full Board of Directors, as appropriate.

Codes of Conduct

The Board of Directors has adopted a code of conduct that applies to all officers and employees, including the Company's principal executive officer, principal financial officer and principal accounting officer. The Board of Directors has also adopted a code of business conduct and ethics for directors. Both codes of conduct are available in the "Investor Relations—Corporate Governance" section of the Company's website at www.avisbudgetgroup.com. The purpose of these codes of conduct is to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; to promote full, fair, accurate, timely and understandable disclosure in periodic reports required to be filed by the Company; and to promote compliance with all applicable rules and regulations that apply to the Company and its officers and directors.

Board of Directors Meetings

The Board of Directors held seven meetings during 2015. In 2015, all incumbent directors who served on the Board in 2015 attended at least 75% of the aggregate number of meetings of the Board of Directors and committees of the Board of Directors on which they served. We expect all directors to attend each regularly scheduled Board of Directors meeting. All directors are welcome to attend the Company's annual meeting of stockholders, and our goal is for a representative of each of the Audit Committee, Compensation Committee and Corporate Governance Committee to be present at each annual meeting. The 2015 annual meeting of stockholders was attended by five directors, including the Chairman of each of the Audit, Compensation and Corporate Governance Committees.

Committees of the Board of Directors

The standing committees of the Board include: the Audit Committee, the Compensation Committee, the Corporate Governance Committee and the Executive Committee.

Name	Audit	Compensation	Corporate Governance	Executive
Alun Cathcart				
Brian J. Choi				
Mary C. Choksi				
Leonard S. Coleman			Chair	
Larry D. De Shon				
Jeffrey H. Fox				
John D. Hardy, Jr.		Chair		
Lynn Krominga				
Eduardo G. Mestre				
Ronald L. Nelson				Chair
F. Robert Salerno				
Stender E. Sweeney	Chair			
Sanoke Viswanathan				
Committee Meetings Held in 2015	8	7	4	--*

* The Executive Committee acted solely by unanimous consent in 2015.

The charters of each of the Audit, Compensation and Corporate Governance Committees, respectively, can be found in the “Investor Relations—Corporate Governance” section of the Company’s website at www.avisbudgetgroup.com.

Audit Committee

The Audit Committee assists in the Board’s oversight of:

the integrity of the Company’s consolidated financial statements;

the Company’s independent auditors’ qualifications and independence;

the performance of the Company’s independent auditors and the Company’s internal audit function;

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the Company's compliance with legal and regulatory requirements;

the Company's systems of disclosure controls and procedures, and internal controls over financial reporting; and

the Company's major financial risk exposures and the steps management has undertaken to control such risks.

The Board of Directors has determined that all members of the Audit Committee are independent directors under the Company's Director Independence Criteria and within the meaning of applicable NASDAQ rules, and that each member of the Audit Committee has the ability to read and understand fundamental financial statements. The Board of Directors has determined that each member of the Audit Committee qualifies as an "audit committee financial expert" as defined by the rules of the SEC, thereby satisfying NASDAQ's "financial sophistication" requirement.

Compensation Committee

The primary responsibilities of the Compensation Committee include to:

review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer and determine and approve the Chief Executive Officer's compensation;

review and approve individual elements of total compensation for our other executive officers;

review and approve our annual and long-term incentive compensation programs and plans;

review and approve all stock option and other equity awards;

assess the results of the Company's most recent advisory vote on executive compensation; and

evaluate whether compensation arrangements for executive officers incentivize unnecessary risk-taking.

We refer you to “Executive Compensation” below for additional information regarding the Compensation Committee’s processes and procedures.

The Board of Directors has determined that each member of the Compensation Committee is an independent director in accordance with NASDAQ listing standards and the Company’s Director Independence Criteria, an outside director for purposes of Section 162(m) of the Internal Revenue Code (the “Code”), and a non-employee director for purposes of Section 16 of the Exchange Act.

Corporate Governance Committee

General

The responsibilities of the Corporate Governance Committee include identifying and recommending to the Board of Directors appropriate director nominee candidates and providing oversight with respect to corporate governance matters. The Board of Directors has determined that each of the current members of the Corporate Governance Committee qualifies as an independent director under applicable NASDAQ rules and the Company’s Director Independence Criteria.

In 2016, the Corporate Governance Committee voted to waive the mandatory retirement age contained in our Corporate Governance Guidelines with respect to Mr. Sweeney’s 2016 Board nomination. In reaching this determination, the Corporate Governance Committee considered Mr. Sweeney’s extensive knowledge and experience, his deep understanding of the Company’s business and his leadership as Chair of the Audit Committee, and concluded that the Corporation would benefit from his continued service as a member of the Board. The Corporate Governance Committee will re-evaluate this waiver of Mr. Sweeney’s retirement on an annual basis.

Director Nomination Procedures

The Corporate Governance Committee considers the appropriate balance of experience, skills and characteristics required of members of the Board of Directors. Nominees for director positions are selected on the basis of their depth and breadth of experience, wisdom, integrity, ability to make independent analytical inquiries, understanding of the Company’s business environment, and willingness to devote adequate time to the duties associated with being a member of the Board of Directors.

The Corporate Governance Committee will consider written proposals from stockholders for candidates to be nominees for director positions. In considering candidates submitted by stockholders, the Corporate Governance Committee will take into consideration the needs of the Board of Directors and the qualifications of the candidate. Any such proposal should be submitted to the Corporate Governance Committee, c/o the Corporate Secretary of the Company, at Avis Budget Group, Inc., 6 Sylvan Way, Parsippany, N.J. 07054, and should include the following: (a) the name of the stockholder and evidence of such stockholder’s beneficial ownership of the shares of Common Stock, including the number of shares of Common Stock beneficially owned and the length of time of such beneficial ownership; and (b) the name of the candidate, such candidate’s resume or a listing of his or her

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qualifications to be a director of the Company and such candidate's consent to be named as a director, if selected by the Corporate Governance Committee, nominated by the Board of Directors and elected. The written proposal should be submitted in the time frame and consistent with the requirements described in the by-laws of the Company and under the caption "Stockholder Proposals for 2017 Annual Meeting" below.

The Corporate Governance Committee's process for identifying and evaluating candidates to be nominees to the Board of Directors is typically initiated by identifying a candidate who meets the criteria for selection as a nominee and has the specific qualities or skills being sought based on input from members of the Board of Directors and, if the Corporate Governance Committee deems appropriate, a third-party search firm which would help the Board to identify candidates. These candidates are evaluated by the Corporate Governance Committee by reviewing such candidates' biographical information and qualifications and checking the candidates' references. Qualified candidates are interviewed by at least one member of the Corporate Governance Committee. Using the input from this interview and other information, the Corporate Governance Committee evaluates whether the candidate is qualified to serve as a director and whether the Corporate Governance Committee should recommend to the Board of Directors that the Board nominate the candidate or elect the candidate to fill a vacancy on the Board of Directors. Candidates recommended by the Corporate Governance Committee are presented to the Board of Directors for selection as nominees to be presented for the approval of the stockholders or for election to fill a vacancy.

In general, the Corporate Governance Committee expects that a similar evaluation process would be used to evaluate candidates to be nominees for director positions recommended by stockholders.

As previously disclosed, pursuant to the Cooperation Agreement, the Company increased the size of the Board to twelve directors and appointed Mr. Choi to the Board and Compensation Committee, in January 2016, and subsequently increased the size of the Board to thirteen directors and appointed Mr. Viswanathan to the Board, in March 2016. The Corporate Governance Committee expects that an evaluation process similar to the one described above will be used to evaluate any replacement director, which may be recommended by SRS pursuant to the terms of the Cooperation Agreement. SRS has agreed to vote its shares of the Company's common stock in favor of the Company's nominees and other proposals at the 2016 Annual Meeting, subject to certain limited exceptions.

Diversity

While the Board has not adopted a formal policy with respect to diversity, the Corporate Governance Committee believes it is important that nominees for the Board represent diverse viewpoints and backgrounds. The Corporate Governance Committee is committed to advancing Board diversity, defined to include differences of viewpoint, professional experience, education, skill, race, gender and national origin, and as specified in its charter, considers diversity in the mix of qualifications, experience, attributes or skills considered in its process of identifying and evaluating candidates to be nominees to the Board of Directors.

Executive Committee

The Executive Committee has and may exercise all of the powers of the Board of Directors when the Board of Directors is not in session, including the power to authorize the issuance of stock, except that the Executive Committee has no power to (a) alter, amend or repeal the by-laws or any resolution or resolutions of the Board of Directors, (b) declare any dividend or make any other distribution to the stockholders of the Company, (c) appoint any member of the Executive Committee, or (d) take any other action which legally may be taken only by the full Board of Directors.

Succession Planning

The Board of Directors is responsible for the development, implementation and periodic review of a succession plan for our Chief Executive Officer and each senior executive, all of whom have been designated as members of our Senior Leadership Team (“SLT”).

In September 2015, the Company announced the implementation of a succession plan (the “2015 Succession Plan”) and announced the Board’s selection of Mr. De Shon, the Company’s then President, International, to become the Company’s next Chief Executive Officer, effective January 1, 2016. In connection with the implementation of the 2015 Succession Plan, the Company also announced that David B. Wyshner would assume the role of President of the Company, effective January 1, 2016, in addition to his responsibilities as Chief Financial Officer, and that Mark J. Servodidio, who was then Managing Director of Europe, would assume Mr. De Shon’s responsibilities in the International region.

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In developing the 2015 Succession Plan, the Board of Directors established a list of critical attributes and implemented a formal assessment process employing an external advisor to assess and develop successor candidates. The Board of Directors also oversaw the development of internal candidates, talent development plans, and engaged in mentoring to strengthen the skills and qualifications of such candidates.

Our Board of Directors believes that effective succession planning, and talent management and development play a critical role in safeguarding business capabilities, developing strong leadership quality and executive bench strength, and optimizing overall business development, operating performance, profitability and shareholder value.

The Board of Directors views succession planning as a continual process and intends to continue to engage in succession planning consistent with the process described above.

The Board of Directors has also developed an “emergency” succession plan in the event of an unexpected disability or inability of our Chief Executive Officer to perform his duties.

Related Person Transactions

There are no related person transactions that require reporting under SEC rules. The Company has adopted written procedures for the review, approval or ratification of transactions with related persons that apply to any transaction, arrangement or relationship in which:

the Company (including any of its subsidiaries) was, is or will be a participant; and

any related person (i.e., a director, executive officer, director nominee, or any greater than 5% beneficial owner, or any immediate family member of the foregoing, or any entity in which any of the foregoing persons is employed, or is a partner, principal or in a similar position, or has any greater than 5% beneficial interest) had, has or will have a direct or indirect interest.

Under the Company's related persons policy, transactions with related persons are reviewed in advance by the General Counsel and Chief Compliance Officer and the Corporate Secretary of the Company, or in certain circumstances, as soon as possible thereafter. If it is determined by such officers that the transaction is a related person transaction and the amount involved exceeds \$120,000:

The transaction will be submitted for review to the Audit Committee, or, under certain circumstances, to the Chairman of the Audit Committee (the “Chair”).

The Audit Committee or the Chair will then consider all relevant facts and circumstances available.

The Audit Committee or the Chair will approve only those transactions, determined in good faith to be in, or not inconsistent with, the best interests of the Company and its stockholders.

The Audit Committee reviews on an annual basis contributions by the Company in excess of \$1,000, in the aggregate (other than contributions made pursuant to the Company's matching contribution program for employees and directors), to a charitable organization at which a related person is actively involved with fund-raising or serves as a director, trustee or in a similar capacity.

Shareholder Engagement

We regularly conduct engagement and outreach efforts in order to communicate with existing and prospective shareholders, lenders, research analysts, rating agencies, governance firms and others. In 2015, our key engagement activities included numerous group and one-on-one investor meetings, conference calls accessible to all shareholders following each of our quarterly earnings releases, presentations at various investor conferences, and our 2015 Annual Meeting of Stockholders. Numerous members of management, in addition to our Chief Executive Officer and Chief Financial Officer, participated in these activities, each of which contained opportunities for shareholders and other constituents to provide feedback to management. In addition, we typically hold an investor day, in alternating years, with presentations from several members of senior management, and, in the past, certain of our Board members have attended investor days as well as other investor meetings, in addition to attending the Annual Meeting of Stockholders.

Our investor relations department is the key point of contact for shareholder interaction with the Company. Stockholders and other interested parties may access investor information about our Company through our website at www.avisbudgetgroup.com. The investor relations department coordinates institutional investor meetings with management, appearances at investor conferences and our quarterly earnings calls. We consider shareholder requests to meet with members of our Board of Directors on a case-by-case basis.

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Security Ownership of Certain Beneficial Owners

The following table sets forth information regarding beneficial ownership of shares of Common Stock as of March 4, 2016, by (i) each person who is known by us to beneficially own more than 5% of the outstanding shares of Common Stock, (ii) each of the Company's directors and each of its named executive officers ("NEOs"), and (iii) all of the Company's directors and current executive officers, as a group.

Name of Beneficial Owner	Total Amount of Shares Beneficially Owned ⁽¹⁾	Percent of Common Stock Owned ⁽²⁾	Of the Total Number of Shares Beneficially Owned, Shares which May be Acquired within 60 Days ⁽³⁾
Principal Stockholders:**			
SRS Investment Management, LLC ⁽⁴⁾ 1 Bryant Park, 39 th Floor New York, N.Y. 10036	9,500,000	9.9 %	—
Glenview Capital Management, LLC ⁽⁵⁾ 767 Fifth Avenue, 44 th Floor New York, N.Y. 10153	9,393,116	9.8 %	—
Fir Tree Inc. ⁽⁶⁾ 505 Fifth Avenue, 23 rd Floor New York, N.Y. 10017	8,581,509	9.0 %	—
Morgan Stanley ⁽⁷⁾ 1585 Broadway New York, N.Y. 10036	7,102,227	7.4 %	—
The Vanguard Group, Inc. ⁽⁸⁾ 100 Vanguard Blvd. Malvern, Pa. 19355	6,599,359	6.9 %	—
Iridian Asset Management LLC ⁽⁹⁾ 276 Post Road West Westport, Conn. 06880	6,529,587	6.8 %	—
Marcato Capital Management LP ⁽¹⁰⁾ Four Embarcadero Center, Suite 2100 San Francisco, Cal. 94111	5,717,175	6.0 %	—
Directors and Named Executive Officers: ⁽¹¹⁾⁽¹²⁾			
Ronald L. Nelson ⁽¹³⁾	1,495,046	1.6 %	585,000
Alun Cathcart	42,117	*	22,117
Brian J. Choi			