

UNITED RENTALS INC /DE
Form DEF 14A
March 26, 2014
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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

United Rentals, Inc.

(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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UNITED RENTALS, INC.

100 First Stamford Place, Suite 700

Stamford, Connecticut 06902

March 26, 2014

Dear Fellow Stockholders:

You are cordially invited to attend this year's annual meeting of stockholders, which will be held on Wednesday, May 7, 2014, at the Hyatt Regency Greenwich, 1800 East Putnam Avenue, Old Greenwich, Connecticut. The meeting will start at 9:00 a.m., Eastern time.

Enclosed you will find a notice setting forth the business expected to come before the meeting, the proxy statement, a proxy card and a copy of our annual report to stockholders for the fiscal year ended December 31, 2013.

Your vote is important. Whether or not you intend to be present at the meeting, it is important that your shares be represented. Voting instructions are provided on your proxy card and in the accompanying proxy statement. We encourage you to submit your proxy and vote via the Internet, by telephone or by mail.

Thank you for your continued support.

Sincerely,

JENNE K. BRITELL
Chairman

MICHAEL J. KNEELAND
Chief Executive Officer

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UNITED RENTALS, INC.

100 First Stamford Place, Suite 700

Stamford, Connecticut 06902

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO OUR STOCKHOLDERS:

The annual meeting of stockholders of United Rentals, Inc. will be held at the Hyatt Regency Greenwich, 1800 East Putnam Avenue, Old Greenwich, Connecticut, on Wednesday, May 7, 2014, at 9:00 a.m., Eastern time, for the following purposes:

1. To elect the 13 directors nominated and recommended by the Board of Directors, as named in the accompanying proxy statement;
2. To approve material terms of performance goals for qualified performance-based awards under the 2014 Annual Incentive Compensation Plan;
3. To approve our Second Amended and Restated 2010 Long Term Incentive Plan;
4. To re-approve material terms of performance goals for qualified performance-based awards under the Second Amended and Restated 2010 Long Term Incentive Plan;
5. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014;
6. To approve our executive compensation on an advisory basis; and
7. To transact such other business, if any, properly brought before the meeting.

The meeting may be adjourned or postponed from time to time. At any reconvened or rescheduled meeting, action with respect to the matters specified in this notice may be taken without further notice to stockholders, except as may be required by our by-laws. Stockholders of record at the close of business on March 10, 2014, are entitled to notice of, and to vote on, all matters at the meeting and any reconvened or rescheduled

meeting following any adjournment or postponement.

March 26, 2014

By Order of the Board of Directors,

JONATHAN M. GOTTSEGEN

Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on Wednesday, May 7, 2014. The Notice of and Proxy Statement for the 2014 Annual Meeting of Stockholders and the Company's 2013 Annual Report to Stockholders are available electronically at <http://www.ur.com/index.php/investor/>.

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UNITED RENTALS, INC.

100 First Stamford Place, Suite 700

Stamford, Connecticut 06902

March 26, 2014

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

We are providing this proxy statement in connection with the solicitation by the Board of Directors (the Board) of United Rentals, Inc. (the Company) of proxies to be voted at our 2014 annual meeting of stockholders to be held at the Hyatt Regency Greenwich, 1800 East Putnam Avenue, Old Greenwich, Connecticut, on Wednesday, May 7, 2014, at 9:00 a.m., Eastern time, and at any reconvened or rescheduled meeting following any adjournment or postponement. This proxy statement and the accompanying form of proxy card, together with our 2013 annual report to stockholders, are first being mailed to stockholders on or about March 26, 2014.

This proxy statement contains important information for you to consider when deciding how to vote. Please read this information carefully.

Record Date

The record date for determining stockholders entitled to notice of, and to vote at, the annual meeting (and at any reconvened or rescheduled meeting following any adjournment or postponement) has been established as the close of business on March 10, 2014.

Voting Securities Outstanding on Record Date

As of the record date, there were 96,653,538 shares of our common stock outstanding and entitled to vote. From April 23 to May 6, 2014, a list of the stockholders entitled to vote at the annual meeting will be available for inspection during ordinary business hours at our principal executive offices located at 100 First Stamford Place, Suite 700, Stamford, Connecticut. The list will also be available at the annual meeting.

Right to Vote

With respect to each matter properly brought before the annual meeting, each holder of our common stock as of the record date will be entitled to one vote for each share held on the record date.

Voting

Voting Before the Annual Meeting

If you are a stockholder of record, meaning that you hold your shares in certificate form or through an account with our transfer agent, American Stock Transfer & Trust Company, you have three options to vote before the annual meeting:

VIA THE INTERNET Visit the website <http://www.voteproxy.com> and follow the on-screen instructions. Have your proxy card available when you access the web page and use the Company Number and Account Number shown on your proxy card. The submission of your proxy via the Internet is available 24 hours a day. To be valid, a submission via the Internet must be received by 11:59 p.m., Eastern time, on Tuesday, May 6, 2014.

BY TELEPHONE Call 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 in foreign countries from any touch-tone telephone and follow the instructions. Have your proxy card available when you call and use the Company Number and Account Number shown on your proxy card. The submission of your proxy by telephone is available 24 hours a day. To be valid, a

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submission by telephone must be received by 11:59 p.m., Eastern time, on Tuesday, May 6, 2014.

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BY MAIL Sign, date and return your completed proxy card by mail. To be valid, a submission by mail must be received by 5:00 p.m., Eastern time, on Tuesday, May 6, 2014.

If you indicate a choice with respect to any matter to be acted upon when voting via the Internet (or by telephone or on your returned proxy card) and you do not validly revoke it, your shares will be voted in accordance with your instructions. If you do not vote via the Internet or by telephone, or sign, date and return a proxy card, you must attend the annual meeting in person in order to vote.

If you hold your shares in street name through an account with a bank or broker, you will receive voting instructions from your bank or broker.

If you are a participant in the URI 401(k) Plan, you should have received separate proxy voting instruction cards from the plan trustee, and you have the right to provide voting instructions to the plan trustee by submitting your voting instruction card for those shares that are held by the plan and allocated to your plan account. For your voting instructions to be processed, they must be received by 11:59 p.m., Eastern time, on Friday, May 2, 2014.

Voting at the Annual Meeting

If you are a stockholder of record, you may vote your shares at the annual meeting if you attend in person. If you intend to vote your shares at the annual meeting, you will need to bring valid picture identification with you. We will confirm that you were a stockholder of record on the record date and will provide you with a blank proxy card, which will serve as a ballot on which to record your vote.

If you hold your shares in street name, you must obtain a legal proxy from your bank or broker in order to vote at the annual meeting. A legal proxy is an authorization from your bank or broker to vote the shares it holds in its name. In addition to a legal proxy, you will need to bring with you valid picture identification and a recent account statement from your bank or broker, confirming your holdings on the record date. Based on these documents, we will confirm that you have proper authority to vote and will provide you with a blank proxy card to serve as a ballot.

If you are a participant in the URI 401(k) Plan, you may not vote plan shares in person at the annual meeting because the plan trustee submits one proxy to vote all shares held by the plan.

Even if you plan to attend the annual meeting, we encourage you to vote your shares before the meeting via the Internet, by telephone or by mail.

Directions to the annual meeting are available by calling the Hyatt Regency Greenwich at 1-203-637-1234 or visiting its website at <http://greenwich.hyatt.com/en/hotel/our-hotel/map-and-directions.html?icamp=propMapDirections>.

Failure to Provide Specific Voting Instructions

If you are a stockholder of record and you properly sign, date and return a proxy card, but do not indicate how you wish to vote with respect to a particular nominee or proposal, then your shares will be voted:

FOR the election of all 13 nominees for director named in Proposal 1 Election of Directors ;

FOR Proposal 2 Approval of Material Terms of Performance Goals for Qualified Performance-Based Awards Under the 2014 Annual Incentive Compensation Plan ;

FOR Proposal 3 Approval of Second Amended and Restated 2010 Long Term Incentive Plan ;

FOR Proposal 4 Re-Approval of Material Terms of Performance Goals for Qualified Performance-Based Awards Under the Second Amended and Restated 2010 Long Term Incentive Plan ;

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FOR Proposal 5 Ratification of Appointment of Independent Registered Public Accounting Firm ; and

FOR Proposal 6 Advisory Approval of the Company s Executive Compensation .

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If you hold your shares in Street name through an account with a bank or broker, you will receive voting instructions from your bank or broker. Banks and brokers have the authority under New York Stock Exchange (NYSE) rules to vote shares for which their customers do not provide voting instructions on routine matters. The proposal to ratify the appointment of our independent registered public accounting firm is considered a routine matter under NYSE rules. This means that banks and brokers may vote in their discretion on this matter on behalf of clients who have not furnished voting instructions at least ten days before the date of the annual meeting. However, some brokers will only vote uninstructed shares in the same proportion as all other shares are voted with respect to a proposal. Unlike the proposal to ratify the appointment of our independent registered public accounting firm, proposals 1, 2, 3, 4 and 6 are each non-routine matters for which brokers do not have discretionary voting power and for which specific instructions from beneficial owners are required. As a result, brokers are not allowed to vote on these proposals on behalf of beneficial owners if such owners do not return specific voting instructions.

If you are a participant in the URI 401(k) Plan, you should have received separate proxy voting instruction cards from the plan trustee. If you sign and return the voting instruction card but otherwise leave it blank or if you do not otherwise provide voting instructions to the plan trustee by mail, Internet or telephone, your shares will be voted by the plan trustee:

FOR the election of all 13 nominees for director named in Proposal 1 Election of Directors ;

FOR Proposal 2 Approval of Material Terms of Performance Goals for Qualified Performance-Based Awards Under the 2014 Annual Incentive Compensation Plan ;

FOR Proposal 3 Approval of Second Amended and Restated 2010 Long Term Incentive Plan ;

FOR Proposal 4 Re-Approval of Material Terms of Performance Goals for Qualified Performance-Based Awards Under the Second Amended and Restated 2010 Long Term Incentive Plan ;

FOR Proposal 5 Ratification of Appointment of Independent Registered Public Accounting Firm ; and

FOR Proposal 6 Advisory Approval of the Company s Executive Compensation .

Quorum

The presence at the annual meeting, in person or represented by proxy, of a majority of the outstanding shares entitled to vote will constitute a quorum for the transaction of business. If a share is deemed present at the annual meeting for any matter, it will be deemed present for all other matters. Abstentions and broker non-votes are treated as present for quorum purposes.

Right to Revoke Proxies

If you are a stockholder of record (even if you voted via the Internet, by telephone or by mail), you retain the power to revoke your proxy or change your vote. You may revoke your proxy or change your vote at any time prior to its exercise by (i) sending a written notice of such revocation or change to United Rentals, Inc., 100 First Stamford Place, Suite 700, Stamford, Connecticut 06902, Attention: Corporate Secretary, which notice must be received by 5:00 p.m., Eastern time, on Tuesday, May 6, 2014, (ii) voting in person at the annual meeting, (iii) submitting a new proxy via the Internet or by telephone that is received by 11:59 p.m., Eastern time, on Tuesday, May 6, 2014, or (iv) executing and mailing a later-dated proxy card to American Stock Transfer & Trust Company, Operation Center, 6201 15th Avenue, Brooklyn, New York 11219, which proxy card must be received by 5:00 p.m., Eastern time, on Tuesday, May 6, 2014.

Street name stockholders who wish to revoke a proxy already returned on their behalf must direct the institution holding their shares to do so.

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Participants in the URI 401(k) Plan who wish to revoke or change voting instructions provided to the plan trustee must follow the instructions of the trustee in order to do so.

Method and Cost of Solicitation

In addition to solicitation by mail, our directors, officers and employees may solicit proxies by telephone, electronic communication or other means. We have also retained Innisfree M&A Incorporated, a proxy solicitation firm, to assist us in soliciting proxies, for an estimated fee of \$15,000, plus reimbursement of reasonable out-of-pocket expenses and disbursements. Our directors, officers and employees receive no additional compensation for solicitation of proxies.

We will bear all costs associated with soliciting proxies for the annual meeting. We will, upon request, and in accordance with applicable regulations, reimburse banks, brokers, other institutions, nominees and fiduciaries for their reasonable expenses in forwarding solicitation materials to beneficial owners.

Matters to Be Acted Upon

As discussed in more detail under Proposal 1 Election of Directors, each director is required to be elected by a majority of votes cast with respect to such director, i.e., the number of votes cast for must exceed the number of votes cast against. Abstentions and shares not represented at the meeting will have no effect on the election of directors. Brokers are not entitled to vote on director elections and thus broker non-votes are not treated as votes cast and will have no effect on the election of directors.

The matter described in Proposal 2 Approval of Material Terms of the Performance Goals for Qualified Performance-Based Awards Under the 2014 Annual Incentive Compensation Plan is required to be approved by the affirmative vote of a majority of the shares present in person or represented by proxy at the annual meeting and entitled to vote on the matter. Abstentions will have the same effect as a vote against this proposal, whereas shares not represented at the meeting will not be counted for purposes of determining whether such matter has been approved. Brokers are not entitled to vote on this proposal on behalf of beneficial owners if such owners do not return specific voting instructions and thus broker non-votes will have no effect on the outcome of such matter.

The matter described in Proposal 3 Approval of Second Amended and Restated 2010 Long Term Incentive Plan is required to be approved by the affirmative vote of the majority of shares present in person or represented by proxy at the annual meeting and entitled to vote on the matter. Abstentions will have the same effect as a vote against this proposal, whereas shares not represented at the meeting will not be counted for purposes of determining whether such matter has been approved. Brokers are not entitled to vote on this proposal on behalf of beneficial owners if such owners do not return specific voting instructions and thus broker non-votes will have no effect on the outcome of such matter.

The matter described in Proposal 4 Re-Approval of Material Terms of the Performance Goals for Qualified Performance-Based Awards Under the Second Amended and Restated 2010 Long Term Incentive Plan is required to be approved by the affirmative vote of a majority of the shares present in person or represented by proxy at the annual meeting and entitled to vote on the matter. Abstentions will have the same effect as a vote against this proposal, whereas shares not represented at the meeting will not be counted for purposes of determining whether such matter has been approved. Brokers are not entitled to vote on this proposal on behalf of beneficial owners if such owners do not return specific voting instructions and thus broker non-votes will have no effect on the outcome of such matter.

The matter described in Proposal 5 Ratification of Appointment of Independent Registered Public Accounting Firm is required to be approved by the affirmative vote of the majority of shares present in person or represented by proxy at the annual meeting and entitled to vote on the matter. Abstentions will have the same effect as a vote against this proposal, whereas shares not represented

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at the meeting will not be counted for purposes of determining whether such matter has been approved. Brokers may vote in their discretion on this proposal on behalf of clients who have not furnished voting instructions. As a result, broker non-votes will not arise in connection with, and thus will have no effect on, this proposal.

With respect to Proposal 6 Advisory Approval of the Company's Executive Compensation, the affirmative vote of a majority of shares present in person or represented by proxy at the annual meeting and entitled to vote on the matter is required for approval of the compensation of our named executive officers. Voting for Proposal 6 is being conducted on an advisory basis and, therefore, the voting results will not be binding on the Company, the Board or the Compensation Committee. Abstentions will have the same effect as a vote against this proposal, whereas broker non-votes and shares not otherwise represented at the meeting will have no effect on the outcome of such matter.

The Board unanimously recommends that you vote:

FOR the election of all 13 nominees recommended by the Board;

FOR the approval of material terms of performance goals for qualified performance-based awards under the 2014 Annual Incentive Compensation Plan;

FOR the approval of the Second Amended and Restated 2010 Long Term Incentive Plan;

FOR the re-approval of material terms of performance goals for qualified performance-based awards under the Second Amended and Restated 2010 Long Term Incentive Plan;

FOR the ratification of the appointment of our independent registered public accounting firm; and

FOR the resolution approving the compensation of our named executive officers on an advisory basis.

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PROPOSAL 1

ELECTION OF DIRECTORS

General

Our Board is currently comprised of the following 13 members: Jenne K. Britell, José B. Alvarez, Bobby J. Griffin, Michael J. Kneeland, Pierre E. Leroy, Singleton B. McAllister, Brian D. McAuley, John S. McKinney, James H. Ozanne, Jason D. Papastavrou, Filippo Passerini, Donald C. Roof and Keith Wimbush. All directors are elected annually for one-year terms.

The Board, upon the recommendation of our Nominating and Corporate Governance Committee, has nominated each of the aforementioned directors to stand for re-election.

Election of 13 Directors

The terms of Drs. Britell and Papastavrou, Ms. McAllister and Messrs. Alvarez, Griffin, Kneeland, Leroy, McAuley, McKinney, Ozanne, Passerini, Roof and Wimbush will expire at the 2014 annual meeting. Upon the unanimous recommendation of the Nominating and Corporate Governance Committee, the Board has nominated each of Drs. Britell and Papastavrou, Ms. McAllister and Messrs. Alvarez, Griffin, Kneeland, Leroy, McAuley, McKinney, Ozanne, Passerini, Roof and Wimbush to stand for re-election at the annual meeting.

Each director elected at the 2014 annual meeting will hold office until our 2015 annual meeting of stockholders and, subject to the resignation policy described below, until such director's successor is elected and qualified.

Voting

Our by-laws require a director to be elected by a majority of votes cast with respect to such director in uncontested elections. The number of votes cast for a director must exceed the number of votes cast against that director. Abstentions and shares not represented at the meeting have no effect on the election of directors. Directors will continue to be elected by a plurality of votes cast in contested elections. A contested election takes place at any meeting in respect of which (i) our corporate secretary receives a notice pursuant to our by-laws that a stockholder intends to nominate a director or directors and (ii) such proposed nomination has not been withdrawn by such stockholder on or prior to the tenth day preceding the date on which the Company first mails its notice of meeting for such meeting to its stockholders.

If a nominee who is serving as a director is not elected at the annual meeting, under Delaware law, the director would continue to serve on the Board as a holdover director until his or her successor is elected and qualified. However, under our by-laws, any director who fails to be elected by majority vote must offer to tender his or her resignation to the Board on the date of the certification of the election results. The Nominating and Corporate Governance Committee will then consider the resignation offer and make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will accept such resignation unless it determines that the best interests of the Company and its stockholders would not be served in doing so. The Board will act on the Nominating and Corporate Governance Committee's recommendation within 90 days from the date of the certification of the election results, unless such action would cause the Company to fail to comply with any requirement of the NYSE or any rule or regulation under the Securities Exchange Act of 1934, as amended (the Exchange Act), in which event the Company will take action as promptly as is practicable while continuing to meet those requirements. The Board will promptly disclose its decision and the rationale behind it in a Form 8-K report furnished to the Securities and Exchange Commission (SEC). The director who offers to tender his or her resignation will not participate in the Nominating and Corporate Governance Committee's recommendation or in the Board's decision.

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If a nominee who is not already serving as a director is not elected at the annual meeting, under Delaware law, that nominee would not be a holdover director and the process described above would not apply.

All nominees for election at the 2014 annual meeting are currently serving on the Board. Each person nominated has agreed to continue to serve if elected. If any nominee becomes unavailable for any reason to serve as a director at the time of the annual meeting, then the shares represented by each proxy may be voted for such other person as may be determined by the holders of such proxy.

The Board unanimously recommends a vote FOR the election of each of Drs. Britell and Papastavrou, Ms. McAllister and Messrs. Alvarez, Griffin, Kneeland, Leroy, McAuley, McKinney, Ozanne, Passerini, Roof and Wimbush to hold office until the 2015 annual meeting of stockholders (designated as Proposal 1 on the enclosed proxy card) and until such director's successor is elected and qualified.

Information Concerning Directors and Executive Officers

The table below identifies, and provides certain information concerning, our current executive officers and directors.

Name	Age	Position
Michael J. Kneeland	60	President, Chief Executive Officer and Director
William B. Plummer	55	Executive Vice President and Chief Financial Officer
Matthew J. Flannery	49	Executive Vice President and Chief Operating Officer
Jonathan M. Gottsegen	47	Senior Vice President, General Counsel and Corporate Secretary
Dale A. Asplund	45	Senior Vice President Business Services and Chief Information Officer
John J. Fahey	47	Vice President Controller and Principal Accounting Officer
Jenne K. Britell, Ph.D.	71	Chairman and Director
José B. Alvarez	51	Director
Bobby J. Griffin	65	Director
Pierre E. Leroy	65	Director
Singleton B. McAllister	62	Director
Brian D. McAuley	73	Director
John S. McKinney	59	Director
James H. Ozanne	70	Director
Jason D. Papastavrou, Ph.D.	51	Director
Filippo Passerini	56	Director
Donald C. Roof	62	Director
Keith Wimbush	61	Director

Michael J. Kneeland has been our president and chief executive officer and a director of the Company since August 2008, having previously served as our interim chief executive officer since June 2007. Prior to that time, Mr. Kneeland served as our executive vice president and chief operating officer since March 2007 and as our executive vice president operations since September 2003. Mr. Kneeland joined the Company as a district manager in 1998 upon our acquisition of Equipment Supply Company, and was subsequently named vice president aerial operations and then vice president southeast region. Mr. Kneeland's more than 33 years of experience in the equipment rental industry includes a number of senior management positions with Free State Industries, Inc. and Equipment Supply Company. In 2011, Mr. Kneeland was appointed to serve on the board of directors of YRC Worldwide, Inc., a leading provider of transportation and global logistics services, where he serves as the Chairman of the Compensation Committee.

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William B. Plummer joined the Company as our executive vice president and chief financial officer in December 2008. Before joining the Company, Mr. Plummer served as chief financial officer of Dow Jones & Company, Inc., a leading provider of global business news and information services, from September 2006 to December 2007. Prior to Dow Jones & Company, Mr. Plummer was vice president and treasurer of Alcoa Inc., one of the world's leading producers of aluminum, since 2000. He also held similar executive positions at Mead Corporation and GE Capital, the financial services subsidiary of General Electric. Mr. Plummer is also a director of John Wiley & Sons, Inc. and UIL Holdings Corporation.

Matthew J. Flannery was appointed as our executive vice president and chief operating officer in April 2012. Mr. Flannery has extensive experience in all areas of the Company's operations, having previously served as executive vice president operations and sales, senior vice president operations east and in two regional vice president roles in aerial operations. Mr. Flannery has also served as a district manager, direct sales manager and branch manager of the Company. He has almost two decades of sales, management and operations experience in the rental industry. Mr. Flannery joined the Company in 1998 as part of the Company's acquisition of Connecticut-based McClinch Equipment.

Jonathan M. Gottsegen joined the Company as our senior vice president, general counsel and corporate secretary in February 2009. Before joining the Company, Mr. Gottsegen directed the Corporate and Securities Practice Group at The Home Depot, Inc., the world's largest home improvement retailer, from 2004 to 2009, where he led a team responsible for oversight of the company's key legal matters. Prior to The Home Depot, Mr. Gottsegen served as securities counsel for Time Warner Inc., a leading media and entertainment company, from 2003 to 2004, where he was responsible for corporate, securities and corporate governance matters. From 1999 to 2003, Mr. Gottsegen was an associate in the New York office of Kaye Scholer Fierman Hays & Handler in its corporate and securities transactional practice. From 1996 to 1999, Mr. Gottsegen was a senior staff attorney with the SEC in its Division of Corporation Finance.

Dale A. Asplund was promoted to our senior vice president business services and chief information officer in April 2012. Mr. Asplund has been our senior vice president business services since April 2011. Joining the Company in 1998, he has held various senior positions that included responsibility for supply chain, fleet management and shared services. His current position also includes management of the Company's information technology systems. Mr. Asplund previously worked for United Waste Systems, Inc. as a divisional manager.

John J. Fahey was appointed our vice president controller in January 2008 and, in that role, continues to serve the Company as principal accounting officer, as he has since August 2006. Mr. Fahey joined the Company in September 2005 as vice president assistant corporate controller. His prior experience includes senior positions as manager corporate business development for Xerox Corporation, a leading document management technology and services company, from June 2003 to September 2005, and vice president and chief financial officer for Xerox Engineering Systems, Inc., a provider of solutions for technical documents, from January 2000 to June 2003. Mr. Fahey has also served as vice president finance and controller for Faulding Pharmaceutical Company, an international health care company. Mr. Fahey is a licensed certified public accountant who previously served as a general practice manager in accounting and auditing for Deloitte & Touche LLP, one of the four largest international accounting and consulting firms.

Jenne K. Britell, Ph.D. became a director of the Company in December 2006 and Chairman of the Board in June 2008. In March 2010, she was named a Senior Managing Director of Brock Capital Group LLC, an advisory and investment banking firm. Dr. Britell was chairman and chief executive officer of Structured Ventures, Inc., advisors to U.S. and multinational companies, from 2001 to 2009. From 1996 to 2000, Dr. Britell was a senior executive of GE Capital. At GE Capital, she most recently served as the executive vice president of Global Consumer Finance and president of Global Commercial and Mortgage Banking. From January 1998 to July 1999, she was president and chief

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executive officer of GE Capital, Central and Eastern Europe, based in Vienna. Before joining GE Capital, she held significant management positions with Dime Bancorp, Inc., HomePower, Inc., Citicorp and Republic New York Corporation. Earlier, she was the founding chairman and chief executive officer of the Polish-American Mortgage Bank in Warsaw, Poland. Dr. Britell is also a director of Crown Holdings, Inc., Quest Diagnostics, Inc., the U.S.-Russia Investment Fund and the U.S.-Russia Foundation for Entrepreneurship and the Rule of Law. During the past five years, Dr. Britell has served as a member of the board of directors of West Pharmaceutical Services, Aames Investment Corp. and Lincoln National Corp. Dr. Britell was named the 2011 Director of the Year by the National Association of Corporate Directors. She was also named one of six outstanding directors for 2011 by the Outstanding Directors Exchange, a division of the Financial Times. In early 2012, Dr. Britell was elected a member of the Council on Foreign Relations.

José B. Alvarez became a director of the Company in January 2009. Mr. Alvarez has been on the faculty of the Harvard Business School since February 2009. Until December 2008, he was the executive vice president global business development for Royal Ahold NV, one of the world's largest grocery retailers. Mr. Alvarez joined Royal Ahold in 2001 and subsequently held several key senior management positions, including president and chief executive officer of the company's Stop & Shop and Giant-Landover brands. Previously, he served in executive positions at Shaw's Supermarket, Inc. and American Stores Company. Mr. Alvarez also serves as a director of The TJX Companies, Inc. and previously as a director of Church & Dwight Co., Inc. He holds an MBA degree from the University of Chicago Graduate School of Business and an AB degree from Princeton.

Bobby J. Griffin became a director of the Company in January 2009. From March 2005 to March 2007, he served as president international operations for Ryder System, Inc., a global provider of transportation, logistics and supply chain management solutions. Beginning in 1986, Mr. Griffin served in various other management positions with Ryder, including as executive vice president international operations from 2003 to March 2005 and executive vice president global supply chain operations from 2001 to 2003. Prior to Ryder, Mr. Griffin was an executive at ATE Management and Service Company, Inc., which was acquired by Ryder in 1986. He also serves as a director of Hanesbrands Inc. and served as a director of Horizon Lines, Inc. from May 2010 until April 2012.

Pierre E. Leroy became a director of the Company on April 30, 2012, in connection with our acquisition (the RSC Transaction) of RSC Holdings Inc. (RSC). Mr. Leroy served as a Director of RSC and RSC Equipment Rental from 2008 to April 2012. Mr. Leroy was previously the Executive Chairman and Chief Executive Officer of Vigilant Solutions. Prior to joining Vigilant Solutions in March 2012, Mr. Leroy served as President of both the Worldwide Construction & Forestry Division and the Global Parts Division of Deere & Company. During his professional career with Deere, he served in a number of positions in Finance, including Treasurer, Vice-President and Treasurer, and Senior Vice-President and Chief Financial Officer. Mr. Leroy has been a director of Capital One Financial Corporation since September 1, 2005, and is also a director of Capital One, National Association. He joined Capital One's Audit and Risk, Compensation, and Governance and Nominating committees in September 2005, July 2006, and April 2006, respectively. Mr. Leroy was a director of Fortune Brands, Inc. from September 2003 until March 2012, where he served on the Audit and Compensation and Stock Option committees. Mr. Leroy also served on the board of ACCO Brands from August 2005 to April 2009, and Nuveen Investments, Inc. from March 2006 to April 2007.

Singleton B. McAllister became a director of the Company in April 2004. Ms. McAllister is a partner of the law firm Williams Mullen. Before joining Williams Mullen in December 2012, Ms. McAllister had been a partner in the law firms of Blank Rome LLP since 2010, LeClairRyan since October 2007, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. since July 2005, Sonnenschein, Nath & Rosenthal LLP since 2003 and Patton Boggs LLP since 2001. Prior to entering private practice, Ms. McAllister served for five years as the general counsel for the United States Agency for International Development and has served in senior positions in the U.S. House of Representatives. Ms. McAllister is also a director of Alliant Energy Corporation, Interstate Power and Light Company and Wisconsin Power and Light Company.

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Brian D. McAuley became a director of the Company in April 2004. Mr. McAuley has served as chairman of Pacific DataVision, Inc. (PDV) since August 2004. PDV is a privately held telecommunications software applications and hosting company. He has also been a partner at NH II, LLC, a consulting firm that specializes in telecommunications businesses, since 2003. Mr. McAuley is a co-founder of Nextel Communications, Inc. and held senior executive positions at Nextel from the company's inception in 1987 until 1996, including seven years as president and chief executive officer. Upon leaving Nextel, he joined Imagine Tile, Inc., a custom tile manufacturer, where he served as chairman and chief executive officer from 1996 to 1999 and continues to serve as chairman. He also served as president and chief executive officer of NeoWorld Communications, Inc., a wireless telecommunications company, from 1999 until the sale of that company to Nextel in 2003. Mr. McAuley is a certified public accountant and, prior to co-founding Nextel, his positions included chief financial officer of Millicom Incorporated, corporate controller at Norton Simon Inc. and manager at Deloitte & Touche LLP.

John S. McKinney became a director of the Company in September 1998 following the merger of the Company with U.S. Rentals, Inc. He also served as a vice president of the Company until the end of 2000. Mr. McKinney served as chief financial officer of U.S. Rentals from 1990 until the merger and as controller of U.S. Rentals from 1988 until 1990, and as a staff auditor and audit manager at the accounting firm of Arthur Andersen & Co. Mr. McKinney was assistant dean of the Ira A. Fulton College of Engineering and Technology at Brigham Young University from November 2006 to January 2008.

James H. Ozanne became a director of the Company on April 30, 2012, in connection with the RSC Transaction. Mr. Ozanne served as a Director of RSC and RSC Equipment Rental from May 2007 until April 2012 and was the Lead Independent Director of the RSC Board. Mr. Ozanne has served in executive positions in the Financial Services industry since 1972. During this time he has held the positions of Chief Financial Officer, President, Chief Executive Officer and Chairman of several leasing, rental, and consumer finance businesses ranging from full service railcar leasing to general equipment finance and grocery pallet rental. He also served as Executive Vice President of GE Capital responsible for the Consumer Finance and Operating Lease/Asset Management business units. Mr. Ozanne was a Director of Financial Security Assurance Holdings Ltd. and Distributed Energy Systems Corp. He was Vice Chairman and Director of Fairbanks Capital Corp. from 2001 through 2005. He was also Chairman of Source One Mortgage Corporation from 1997 to 1999. Previously, he was President and Chief Executive Officer of Nation Financial Holdings and its predecessor, US WEST Capital. Mr. Ozanne is also a director of ZBB Energy Corporation and NMI Holdings, Inc.

Jason D. Papastavrou, Ph.D. became a director of the Company in June 2005. Dr. Papastavrou has served as chief executive officer and chief investment officer of ARIS Capital Management, an investment management firm, since founding the company in January 2004. He previously held senior positions at Banc of America Capital Management, also an investment management firm, where he served as managing director of hedge funds strategies from 2001 to 2003, and at Deutsche Asset Management, where he served as director of alternative investments group from 1999 to 2001. Dr. Papastavrou, who holds a Ph.D. in electrical engineering and computer science from the Massachusetts Institute of Technology, taught at Purdue University's School of Industrial Engineering from 1990 to 1999 and is the author of numerous academic publications. He is also a director of XPO Logistics, Inc. (formerly Express-1 Expedited Solutions Inc.), an international expedited freight shipping provider.

Filippo Passerini became a director of United Rentals in January 2009. He is currently Group President of The Procter & Gamble Company's Global Business Services (GBS) organization and Chief Information Officer (CIO), positions he has held since February 2008 and July 2004, respectively. Mr. Passerini joined Procter & Gamble, a leading multinational manufacturer of consumer goods, in 1981 and has held executive positions in the United Kingdom, Greece, Italy, Turkey, Latin America, and the United States. He led the integration of Procter & Gamble's IT and services groups to form GBS, one of the largest and most progressive shared services organizations in the world. Under his leadership, GBS has saved Procter & Gamble more than \$1 billion to date. Mr. Passerini is a member

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of the CIO Hall of Fame and has received numerous awards, including: the inaugural Fisher-Hopper Prize for Lifetime Achievement in CIO Leadership; Shared Service Thought Leader of the Year; and *InformationWeek*'s Chief of the Year. He is a native of Rome, Italy and holds a degree in Operations Research from the University of Rome.

Donald C. Roof became a director of the Company on April 30, 2012, in connection with the RSC Transaction. Mr. Roof served as a Director of RSC and RSC Equipment Rental from August 2007 to April 2012. Mr. Roof most recently served as Executive Vice President and Chief Financial Officer of Joy Global Inc., a worldwide manufacturer of mining equipment, from 2001 to 2007. Prior to joining Joy, Mr. Roof served as President and Chief Executive Officer of American Tire Distributors/Heafner Tire Group, Inc. from 1999 to 2001 and as Chief Financial Officer from 1997 to 1999. Mr. Roof has previously served on the board of directors and audit committee of two additional NYSE companies, Accuride Corporation from March 2005 through January 2010, and Fansteel, Inc. from September 2000 through March 2003. Mr. Roof had significant experience during his career in capital raising, mergers and acquisitions, and operating in highly-leveraged situations.

Keith Wimbush became a director of the Company in April 2006. Mr. Wimbush is currently executive vice president and head, legal search practice, of Seiden Krieger Associates, Inc., an executive search firm. Before joining Seiden Krieger in February 2013, Mr. Wimbush served as executive vice president and North American head of legal of DHR International, another executive search firm, since April 2011. From 2010 to 2011, he was a managing director of Executive Search Services International, LLC. From 2003 until 2005, Mr. Wimbush was with Korn/Ferry International, where he served as a senior client partner and was also co-practice leader of the firm's legal specialist group. From 1997 until 2003, Mr. Wimbush served as senior vice president and general counsel of Diageo North America, Inc. and predecessor companies. Mr. Wimbush, who holds a J.D. from Harvard Law School, served as an adjunct professor of law at Thomas Cooley Law School during 2007 and 2008.

See Corporate Governance Matters Board Consideration of Director Qualifications for additional information regarding the specific experience, qualifications, attributes and skills of the directors named herein that led the Board to conclude that each such director should serve as a director of the Company.

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Our Board is currently comprised of the following 13 members: Jenne K. Britell, José B. Alvarez, Bobby J. Griffin, Michael J. Kneeland, Pierre E. Leroy, Singleton B. McAllister, Brian D. McAuley, John S. McKinney, James H. Ozanne, Jason D. Papastavrou, Filippo Passerini, Donald C. Roof and Keith Wimbush. All directors are elected annually for one-year terms.

The Board, upon the recommendation of the Nominating and Corporate Governance Committee, has nominated each of the aforementioned directors to stand for re-election at the annual meeting.

Meetings of the Board and its Committees

During 2013, the Board met ten times. During 2013, each then-current member of the Board attended at least 75% of the aggregate of (i) the total number of Board meetings held during the period for which he or she was a director and (ii) the total number of meetings of each committee of the Board on which the director served during the period for which he or she was on the committee.

Committees of the Board

The following table summarizes the current composition of the five current standing committees of the Board: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, the Risk Management Committee and the Strategy Committee. Our Chairman, Dr. Britell, is not a member of any of the Board's standing committees. However, she usually attends meetings of the Board's committees, as all directors are invited.

	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Risk Management Committee	Strategy Committee
José B. Alvarez	X		X		
Bobby J. Griffin	X			X	Chairman
Michael J. Kneeland					X
Pierre E. Leroy		X			X
Singleton B. McAllister		Chairman	X		
Brian D. McAuley			Chairman	X	X
John S. McKinney	Chairman			X	
James H. Ozanne			X		X
Jason D. Papastavrou	X			Chairman	
Filippo Passerini		X		X	X
Donald C. Roof	X			X	
Keith Wimbush		X	X		

Compensation Committee Interlocks and Insider Participation

None of the current members of the Compensation Committee has ever been an officer or employee of the Company or its subsidiaries or had any relationship with the Company requiring disclosure as a related party transaction under applicable rules of the SEC. During fiscal year 2013, none of our executive officers served as a member of the compensation committee of another entity, one of whose executive officers served on our Compensation Committee; none of our executive officers served as a director of another entity, one of whose executive officers served on our Compensation Committee; and none of our executive officers served as a member of the compensation committee of another entity, one of whose executive officers served as a member of our Board.

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Audit Committee

We have a separately-designated Audit Committee established in accordance with the Exchange Act. The Audit Committee operates pursuant to a charter that complies with the corporate governance standards of the NYSE. You can access this document, and other committee charters, on our website at <http://www.ur.com> (under Corporate Governance in the Investor Relations section) or in print upon written request to our corporate secretary at United Rentals, Inc., 100 First Stamford Place, Suite 700, Stamford, Connecticut 06902.

The general purposes of the Audit Committee are to:

assist the Board in monitoring (i) the integrity of the Company's financial statements, (ii) the independent auditor's qualifications and independence, (iii) the performance of the Company's internal audit function and independent registered public accounting firm, and (iv) the Company's compliance with legal and regulatory requirements; and

prepare the report required by the rules and regulations of the SEC to be included in the Company's annual proxy statement and any other reports that the rules and regulations of the SEC may require of a company's audit committee.

The Audit Committee also has the sole authority to appoint or replace the independent auditor (subject, if applicable, to stockholder ratification) and to approve compensation arrangements for the independent auditor.

The current members of the Audit Committee are Messrs. McKinney, Alvarez, Griffin and Roof and Dr. Papastavrou. Each member of the Audit Committee meets the general independence requirements of the NYSE and the additional independence requirements for audit committees specified by Rule 10A-3 under the Exchange Act. The Board has determined that each of Messrs. McKinney and Roof and Dr. Papastavrou qualifies as an audit committee financial expert as defined by the SEC and has accounting or related financial management expertise within the meaning of the corporate governance standards of the NYSE, and that each member of the Audit Committee is financially literate within the meaning of the corporate governance standards of the NYSE.

In 2013, the Audit Committee met ten times.

Compensation Committee

The Compensation Committee operates pursuant to a charter that complies with the corporate governance standards of the NYSE.

The general purpose of the Compensation Committee is to aid the Board in discharging its responsibilities relating to: (i) the oversight of executive officer and director compensation and (ii) the development of compensation policies that support the Company's business goals and objectives. The Compensation Committee is also responsible for producing an annual report on executive compensation and assisting management in the preparation of a Compensation Discussion and Analysis. For additional information concerning the Compensation Committee, see Executive Compensation Compensation Discussion and Analysis.

The current members of the Compensation Committee are Ms. McAllister and Messrs. Leroy, Passerini and Wimbush. Each member of the Compensation Committee meets the independence requirements of the NYSE. In addition, each member qualifies as an outside director within the meaning of Internal Revenue Code Section 162(m) and as a non-employee director within the meaning of Rule 16b-3 under the Exchange Act.

The Compensation Committee may select, retain and terminate outside compensation consultants to advise with respect to director, chief executive officer or executive officer compensation. The Compensation Committee also has the authority to obtain advice and assistance from internal or external legal, accounting and other advisors. Although the Company pays for any compensation

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consultant, the Compensation Committee, in its sole discretion, approves the fees and other terms related to the consultant's engagement. The Compensation Committee's use of compensation consultants is described below under "Executive Compensation - Compensation Discussion and Analysis."

The Compensation Committee may delegate all or any portion of its duties and responsibilities to a subcommittee consisting of one or more members of the Compensation Committee.

In 2013, the Compensation Committee met six times.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee operates pursuant to a charter that complies with the corporate governance standards of the NYSE.

The general responsibilities of the Nominating and Corporate Governance Committee include: (i) developing criteria for evaluating prospective candidates to the Board (or its committees) and identifying and recommending such candidates to the Board; (ii) taking a leadership role in shaping the corporate governance of the Company and developing the Company's corporate governance guidelines; and (iii) coordinating and overseeing the evaluation processes for the Board and management which are required by the Company's corporate governance guidelines. For additional information concerning this committee, see "Corporate Governance Matters - Director Nomination Process."

The current members of the Nominating and Corporate Governance Committee are Messrs. McAuley, Alvarez, Ozanne and Wimbush and Ms. McAllister. Each member of the Nominating and Corporate Governance Committee meets the independence requirements of the NYSE.

In 2013, the Nominating and Corporate Governance Committee met two times.

Risk Management Committee

Pursuant to its charter, the Risk Management Committee assists the Board in overseeing the Company's enterprise-wide risk management practices to the extent not otherwise assigned to the Audit Committee, including (i) the process by which management identifies and assesses the Company's exposure to risk, including but not limited to financial risk, and (ii) that the risk management infrastructure established by management is capable of managing those risks, in order to effectively support the Company's strategic and operational objectives while maintaining the Company's sound financial condition.

The current members of the Risk Management Committee are Dr. Papastavrou and Messrs. Griffin, McAuley, McKinney, Passerini and Roof.

In 2013, the Risk Management Committee met three times.

Strategy Committee

Pursuant to its charter, the Strategy Committee assists the Board in overseeing and facilitating the development and implementation of the Company's corporate strategy, including long- and short-term strategic plans and related operational decision-making.

The current members of the Strategy Committee are Messrs. Griffin, Kneeland, Leroy, McAuley, Ozanne and Passerini.

In 2013, the Strategy Committee met five times.

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Risk Oversight

The Board has overall responsibility for risk oversight, including, as a part of regular Board and committee meetings, general oversight of the way the Company's executives manage risk. A fundamental part of risk oversight is not only understanding the material risks the Company faces and the steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the Company. Our Board's involvement in reviewing our business strategy is integral to the Board's assessment of management's tolerance for risk and also its determination of what constitutes an appropriate level of risk for the Company.

The Risk Management Committee shares responsibility for risk management with senior management and the Company's Enterprise Risk Management Committee (the ERM Committee), which is comprised of senior representatives from field operations and from each of the primary corporate functions. Risks are initially identified by each department and then communicated to senior management and the ERM Committee for the development of appropriate risk management programs and policies which are subsequently implemented at the department or other appropriate level within the Company. The Risk Management Committee oversees the process by which management identifies and assesses the Company's exposure to risk, including but not limited to financial risk, and helps ensure that the risk management infrastructure established by management is capable of managing those risks. In addition, the Risk Management Committee periodically reviews and assesses critical risk management policies and infrastructure implemented by management and recommends improvements where appropriate. The Risk Management Committee coordinates communications regarding risk among the various Board committees and keeps risk on both the full Board's and management's agenda on a regular basis.

In addition to the work done by the Risk Management Committee, the ERM Committee and senior management, the Company's Internal Audit Department conducts an annual risk assessment that is reported to the Risk Management Committee. Such assessment consists of reviewing the risks identified by the Risk Management Committee and the ERM Committee, the prior year's risk assessment and audit work performed during the year; interviewing members of management and other employees to understand the potential risks impacting the Company; identifying common risk themes to be considered in developing the Internal Audit Plan; developing a risk-based Internal Audit Plan that provides assurance in assessing the functionality of controls that directly mitigate key risks; and producing an estimate of the resource requirements necessary to execute the Internal Audit Plan.

Director Attendance at Previous Annual Meeting

We encourage our directors to attend annual meetings of stockholders, and we typically schedule Board and committee meetings to coincide with the annual meeting. All then-current directors attended the 2013 annual meeting of stockholders.

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CORPORATE GOVERNANCE MATTERS

Corporate Governance Guidelines

We have adopted corporate governance guidelines to promote the effective functioning of the Board. The guidelines address, among other things, criteria for selecting directors and director duties and responsibilities. We have also adopted categorical independence standards (in addition to the requirements of the NYSE) by which we assess the independence of our directors. You can access these documents on our website at <http://www.ur.com> (under Corporate Governance in the Investor Relations section) or in print upon written request to our corporate secretary at United Rentals, Inc., 100 First Stamford Place, Suite 700, Stamford, Connecticut 06902.

Code of Business Conduct

We have adopted a Code of Business Conduct for our employees, officers and directors. You can access this document on our website at <http://www.ur.com> under Corporate Governance in the Investor Relations section. This document is also available in print to any stockholder upon written request to our corporate secretary at United Rentals, Inc., 100 First Stamford Place, Suite 700, Stamford, Connecticut 06902. The Code constitutes a code of ethics as defined by the rules of the SEC. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K relating to amendments to the Code of Business Conduct or waivers from any provision of the Code of Business Conduct applicable to our principal executive officer, principal financial officer and controller by posting such information on our website at the location set forth above within four business days following the date of such amendment or waiver.

Board Leadership Structure

Our Board has separated the roles of Chairman of the Board and Chief Executive Officer. The current Chairman, Dr. Jenne Britell, is an independent director. We believe that an independent Chairman is better able to provide oversight and guidance to management, especially in relation to the Board's essential role in risk management oversight, and to ensure the efficient use and accountability of resources. Furthermore, this separation provides for focused engagement between these two roles in their respective areas of responsibility, while still providing for collaborative participation. The separation of the Chairman and Chief Executive Officer roles, together with our other comprehensive corporate governance practices, are designed to establish and preserve management accountability, provide a structure that allows the Board to set objectives and monitor performance, and enhance stockholder value.

Director Independence

In assessing director independence, we follow the criteria of the NYSE. In addition, and without limiting the NYSE independence requirements, we apply our own categorical independence standards. Under these standards, we do not consider a director to be independent if he or she is, or in the past three years has been:

employed by the Company or any of its affiliates;

an employee or owner of a firm that is one of the Company's or any of its affiliates' paid advisors or consultants (unless the Company's relationship, or the director's relationship, with such firm does not continue after the director joins the Board, or the Company's annual payments to such firm did not exceed 1% of such firm's revenues in any year);

employed by a significant customer or supplier;

party to a personal service contract with the Company or the chairman, chief executive officer or other executive officer of the Company or any of its affiliates;

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an employee or director of a foundation, university or other non-profit organization that receives significant grants or endowments from the Company or any of its affiliates or a direct beneficiary of any donations to such an organization;

a relative of any executive officer of the Company or any of its affiliates; or

part of an interlocking directorate in which the chief executive officer or other executive of the Company serves on the Board of a third-party entity (for-profit or not-for-profit) employing the director.

A substantial majority of our directors must be independent under our corporate governance guidelines, which are more stringent than NYSE rules in this regard. Twelve of our thirteen directors have been determined by the Nominating and Corporate Governance Committee and the Board to be independent under those criteria: Jenne K. Britell; José B. Alvarez; Bobby J. Griffin; Pierre E. Leroy; Singleton B. McAllister; Brian D. McAuley; James H. Ozanne; John S. McKinney; Jason D. Papastavrou; Filippo Passerini; Donald C. Roof and Keith Wimbush. In addition, the Board has determined that each of these directors also meets the categorical independence standards described above. Michael J. Kneeland, our chief executive officer, is not considered independent because he is an employee of the Company.

In accordance with SEC regulations, with respect to the directors that we have identified as being independent under NYSE rules, we discuss below certain relationships considered by the Board in making its independence determinations. Such relationship was determined by the Board to be an immaterial relationship that would not disqualify the particular director from being classified as an independent director.

Filippo Passerini became a director of the Company in January 2009. He is currently president of Procter & Gamble's global business services organization and chief information officer. Procter & Gamble rented equipment from the Company for which the Company received monetary compensation in 2013. Mr. Passerini was not involved in the decision by Procter & Gamble to use the Company's services. The Board determined that the foregoing relationship was an immaterial relationship given that Mr. Passerini had no involvement in the procurement decision and the amounts paid by Procter & Gamble to the Company represent substantially less than 1% of Procter & Gamble's annual revenues and substantially less than 1% of the Company's annual revenues.

Board Consideration of Director Qualifications

In addition to the independence matters described above, the Board considered the specific experience, qualifications, attributes and skills of the directors named herein and concluded that based on the aforementioned factors, and including each director's integrity and collegiality, such directors should serve as directors of the Company. Although each director offers a multitude of unique and valuable skills and attributes, including a demonstrated business acumen and an ability to exercise sound judgment, the Board identified the following specific experience, qualifications, attributes and skills that led the Board to conclude that such persons should serve as directors.

Mr. Alvarez has held several key management positions with Royal Ahold NV, one of the world's largest grocery retailers, providing him with business leadership experience in, and valuable knowledge of, the global retail industry. These experiences, together with his other public company directorships and academic credentials in business and as a member of the Harvard Business School faculty, allow him to contribute to the Company and the Board a combination of strategic thinking and industry knowledge with respect to marketing and retailing.

Dr. Britell has served in senior management positions with both public and private companies, including GE Capital, where she was executive vice president of Global Consumer Finance and president of Global Commercial and Mortgage Banking. She also has significant experience with public company directorships, which provides her with leadership and consensus-building skills to guide the Board, as well as exposure to a broad array of best practices.

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Mr. Griffin has notable business experience in the areas of transportation, logistics and supply chain management, including extensive international experience, due to his past senior leadership positions with Ryder System, Inc. In addition to these attributes, Mr. Griffin's public company directorship experience provides a valuable perspective for the Board and the Company.

Mr. Kneeland has served in a variety of positions in the equipment rental industry for over 30 years, including a number of senior management positions with the Company, as well as Free State Industries, Inc. and Equipment Supply Company. He has extensive experience and knowledge of the competitive environment in which the Company operates. Further, he has demonstrated strategic and operational acumen that the Board believes has been of significant value to the Company.

Mr. Leroy has significant experience in finance and accounting, general management, industry and customer knowledge, and board experience as demonstrated by his years of experience in capital markets and asset-liability management as well as leading and managing large complex international marketing, engineering, and manufacturing organizations, and serving on other public company boards.

Ms. McAllister has served as the general counsel of the United States Agency for International Development and currently is a partner of the law firm Williams Mullen LLP. With her vast legal experience, she serves as an important resource to the Board with regard to legal and regulatory matters. Like other Board members, Ms. McAllister's service on other public company boards serves as an important benefit by providing the Company a broad perspective at the Board level.

Mr. McAuley brings business leadership skills to the Board from his career in the telecommunications and manufacturing industries, including through his tenure as chairman of Pacific DataVision, Inc. and senior executive positions at Nextel Communications, Inc. and Imagine Tile, Inc. In addition, as a co-founder of Nextel Communications, Inc., Mr. McAuley has also exhibited valuable entrepreneurial abilities. Furthermore, he has extensive financial and accounting experience as a result of his past positions as chief financial officer and controller at public and private companies and as a manager at the accounting firm Deloitte & Touche LLP.

Mr. McKinney has significant accounting and finance experience unique to the Company and its industry as a result of his past positions as vice president finance of the Company, chief financial officer and controller of U.S. Rentals Inc., and as a staff auditor and audit manager at the accounting firm Arthur Andersen & Co.

Mr. Ozanne has significant experience in finance and accounting, general management, industry and customer knowledge, and board experience and governance as evidenced by his extensive knowledge of business and accounting issues, his experience as an officer and director of various mortgage, finance, asset management, and venture capital organizations, his experience with leasing and rental businesses, and his years of experience serving as the chief executive officer of several public companies.

Dr. Papastavrou currently serves as the chief executive officer and chief investment officer of ARIS Capital Management, and has held senior positions at other investment management firms, such as Banc of America Capital Management and Deutsche Asset Management. Collectively, these experiences allow him to contribute to the Board and the Company a valuable perspective on finance and risk-related matters.

Mr. Passerini has gained significant global business and leadership experience in the consumer goods industry as well as valuable knowledge of the global retail industry through his various senior level positions with Procter & Gamble during the past 25 years. Mr. Passerini has particular strength with international operations, which he acquired through his previous executive positions in the United Kingdom, Greece, Italy, Latin America and Turkey.

Mr. Roof has significant experience in finance and accounting, general management, business development and strategic planning, board experience/governance, and other functions, including merchandising and distribution as evidenced by his 35 years of experience serving in executive

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positions ranging from President/CEO to Executive Vice President/CFO with an international manufacturer of mining equipment and a distributor and retailer of tires and related products, as well as his years of experience serving on the board of directors and audit committees of several public companies.

Mr. Wimbush has gained significant legal experience through his formal legal training at Harvard Law School, as well as his subsequent positions in the legal department of Diageo North America, Inc. and as an adjunct professor of law at Thomas Cooley Law School. He complements his legal experience with experience gained through his former positions with Korn/Ferry International and DHR International, and his current position as Executive Vice President and Head, Legal Search Practice, with Seiden Krieger Associates.

Executive Sessions of the Board

Our corporate governance guidelines provide that our non-management directors should meet, at least twice a year, in executive sessions without the presence of management. The purpose of executive sessions is to facilitate free and open discussion among the participants. The Chairman of the Board (or, in the absence of the Chairman, the Chairman of the Audit Committee or such other independent director as may be selected by the Board) should preside over executive sessions and, as required, provide feedback to the chief executive officer, and to such other directors as is appropriate, based upon the matters discussed at such meetings.

Director Nomination Process

General

The Board has established the Nominating and Corporate Governance Committee, as described above. The responsibilities of this committee include, among other things: (i) developing criteria for evaluating prospective candidates to the Board or its committees; (ii) identifying individuals qualified to become members of the Board or its committees; and (iii) recommending to the Board those individuals that should be nominees for election or re-election to the Board or otherwise appointed to the Board or its committees (with authority for final approval remaining with the Board).

Process for Identifying and Evaluating Candidates

The Nominating and Corporate Governance Committee (the *Committee*) may identify potential Board candidates from a variety of sources, including recommendations from current directors or management, recommendations of security holders or any other source the Committee deems appropriate. The Committee may also engage a search firm to assist in identifying director candidates. The Committee has been given sole authority to select, retain and terminate any such search firm and to approve its fees and other retention terms.

In considering candidates for the Board, the Committee evaluates the entirety of each candidate's credentials. In accordance with our corporate governance guidelines, the Committee considers, among other things: (i) business or other relevant experience; (ii) expertise, skills and knowledge; (iii) contacts in the communities in which the Company does business and in the Company's industry or other industries relevant to the Company's business; (iv) personal qualities and characteristics, accomplishments, integrity and reputation in the business community; (v) the extent to which the candidate will enhance the objective of having directors with diverse viewpoints, backgrounds, experience, expertise, skills and other demographics; (vi) willingness and ability to commit sufficient time to Board and committee duties and responsibilities; and (vii) qualification to serve on specialized Board committees, such as the Audit Committee or the Compensation Committee. The Committee recommends candidates based on its consideration of each individual's specific skills and experience and its annual assessment of the composition and needs of the Board as a whole, including with respect to diversity. Consideration of diversity as one of many attributes relevant to a nomination to the Board is implemented through the Committee's standard evaluation process. In particular, the

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Committee obtains and reviews questionnaires, interviews candidates as appropriate and engages in thorough discussions at Committee meetings in an effort to identify the best candidates and to populate an effective Board. The effectiveness of the Board's diverse mix of viewpoints, backgrounds, experience, expertise, skills and other demographics is considered as part of the Committee's assessment.

The 13 nominees for election as directors at the 2014 annual meeting are: Jenne K. Britell, who has been a director since December 2006; José B. Alvarez, who has been a director since January 2009; Bobby J. Griffin, who has been a director since January 2009; Michael J. Kneeland, who has been a director since August 2008; Pierre E. Leroy, who has been a director since April 2012; Singleton B. McAllister, who has been a director since April 2004; Brian D. McAuley, who has been a director since April 2004; John S. McKinney, who has been a director since September 1998; James H. Ozanne, who has been a director since April 2012; Jason D. Papastavrou, who has been a director since June 2005; Filippo Passerini, who has been a director since January 2009; Donald C. Roof, who has been a director since April 2012; and Keith Wimbush, who has been a director since April 2006. Each of these directors is standing for re-election at the annual meeting. In making its recommendation to the Board, the Committee reviewed and evaluated, in addition to each nominee's background and experience and other criteria set forth in the Company's corporate governance guidelines, each director's performance during his or her recent tenure with the Board and whether each was likely to continue to contribute positively to the Board.

Procedure for Submission of Recommendations by Security Holders

Our security holders may recommend potential director candidates by following the procedure described below. The Committee will evaluate recommendations from security holders in the same manner that it evaluates recommendations from other sources.

If you wish to recommend a potential director candidate for consideration by the Committee, please send your recommendation to United Rentals, Inc., 100 First Stamford Place, Suite 700, Stamford, Connecticut 06902, Attention: Corporate Secretary. Any notice relating to candidates for election at the 2015 annual meeting must be received by our corporate secretary after January 7, 2015 but on or before February 6, 2015 (unless the 2015 annual meeting is not scheduled to be held within the period between April 7, 2015 and June 6, 2015, in which case our by-laws prescribe an alternate deadline). You should use first class, certified mail in order to ensure the receipt of your recommendation.

Any recommendation must include (i) your name and address and a list of the securities of the Company that you own; (ii) the name, age, business address and residence address of the proposed candidate; (iii) the principal occupation or employment of the proposed candidate over the preceding ten years and the person's educational background; (iv) a statement as to why you believe such person should be considered a potential candidate; (v) a description of any affiliation between you and the person you are recommending; and (vi) the consent of the proposed candidate to your submitting him or her as a potential candidate. You should note that the foregoing process relates only to bringing potential candidates to the attention of the Committee. Following this process will not give you the right to directly propose a nominee at any meeting of stockholders. See "Other Matters" Stockholder Proposals for the 2015 Annual Meeting.

Direct Communications with Directors

We have adopted procedures to enable our security holders and other interested parties to communicate with the Board or with any individual director or directors. If you wish to send a communication, you should do so in writing. Security holders and other interested parties may send communications to the Board or the particular director or directors, as the case may be, in the manner described in the Company's written policy available on its website at <http://www.ur.com> under "Corporate Governance" in the Investor Relations section.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

Our executive compensation program is used to attract and retain the employees who lead our business and to reward them for outstanding performance. This Compensation Discussion and Analysis, or CD&A, explains, for 2013, our executive compensation philosophy and objectives, each element of our executive compensation program and how the Compensation Committee (the Committee) of the Board made its compensation decisions for our 2013 named executive officers (NEOs), listed below, as well as certain significant pay-related developments occurring in 2014.

The Company's Named Executive Officers as of December 31, 2013

<u>Name</u>	<u>Principal Position and Title</u>
Michael Kneeland	President and Chief Executive Officer
William Plummer	Executive Vice President and Chief Financial Officer
Matthew Flannery	Executive Vice President and Chief Operating Officer
Jonathan Gottsegen	Senior Vice President, General Counsel and Corporate Secretary
Dale Asplund	Senior Vice President, Business Services and Chief Information Officer

In addition, the compensation and benefits provided to our NEOs in 2013 are set forth in detail in the Summary Compensation Table (which also details compensation and benefits provided in 2012 and 2011) and other tables that follow this analysis, and in the footnotes and narrative material that accompany those tables.

Executive Summary

2013 Business Highlights

2013 was a critical year in the evolution of our business coming off an extraordinary year of transformation in 2012, with the acquisition (the RSC Transaction) of RSC Holdings Inc. (RSC). Through the integration, we stayed true to our fundamental strategic imperatives: to realize significant returns by capitalizing on our scale; to drive sustainable efficiencies in our core business; and to maintain a strong capital structure. We remained disciplined in operations and delivered on our commitments to the market, as demonstrated by the financial results highlighted below:

(1) These metrics are reported on a pro-forma basis (that is, assuming the combination of United Rentals results and RSC results for the full year 2012).

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Note: EBITDA and Adjusted EBITDA are non-GAAP financial measures (GAAP, when used herein, means U.S. generally accepted accounting principles). EBITDA represents the sum of net income, provision for income taxes, interest expense, net, interest expense-subordinated convertible debentures, depreciation of rental equipment, and non-rental depreciation and amortization. Adjusted EBITDA represents EBITDA plus the sum of the RSC merger related costs, restructuring charge, stock compensation expense, net, the impact of the fair value mark-up of acquired RSC fleet and inventory, and the gain on sale of software subsidiary (as calculated in the manner as set forth in Appendix A). Economic Profit Improvement is a non-GAAP financial measure which measures the year-over-year change in the spread between Return on Invested Capital and the Company's Weighted Cost of Capital.

These performance measures are especially important with respect to the executive compensation program, as they are embedded in the program design and the Committee considers them carefully in their decisions about compensation. They are also critically important because we believe they are key drivers of total shareholder return, which we believe is a meaningful measure of performance for our stockholders. The chart below shows the total cumulative return of the Company's stock (assuming reinvestment of dividends) as compared with the S&P 500 and the Company's 2013 Executive Compensation Peer Group (as defined below) since 2010:

Table of Contents**2013 Executive Compensation Program Changes and Events**

At the Company's 2013 annual meeting of stockholders, we received substantial support for our executive compensation program, with approximately 92% of the stockholders who voted on the say on pay proposal approving the compensation of our NEOs. Although this vote is non-binding, the Committee considers the results of the vote and views of its investors when making compensation decisions. At the same time, the Committee is committed to the continuous evolution of the executive compensation program to ensure that it keeps pace with the Company's business strategy, leadership objectives and commitment to deliver exceptional long-term stockholder returns. To this end, we made a few refinements to our program for 2013:

What's Changed	How It's Changed	Rationale for Change
Performance Metrics	Economic Profit Improvement (EPI) was added as a key performance metric for the Annual Incentive Compensation Plan. EPI measures the year-over-year change in the spread between Return on Invested Capital (ROIC) and the Company's Weighted Cost of Capital.	The Committee believes that EPI is highly correlated with strong stockholder returns and better reflects and measures year-over-year economic improvement, while continuing to focus on exceeding cost of capital throughout the business cycle.
Executive Compensation Peer Group Companies	Three companies were added to the 2012 Executive Compensation Peer Group: Waste Management, Inc., WESCO International, Inc., and Trinity Industries, Inc. The 2013 Executive Compensation Peer Group is comprised of 13 companies.	These modifications reflect the increased size and changing business mix as a result of the RSC Transaction, as well as the overall growth of the Company.

Looking Ahead to 2014: Executing for Growth and Returns

With our immediate focus on growth and returns, we are also adjusting the executive compensation program for 2014. The performance measures for both the Annual Incentive Compensation Plan (AICP) and Long Term Incentive Plan (LTIP) will change. In addition, we are putting a greater emphasis on performance-based restricted stock units in the LTIP and eliminating the use of stock options.

Plan	Performance Measures	How It's Paid	
AICP	Adjusted EBITDA Dollar Growth	75% Cash and 25% Vested Shares	
LTIP	EPI	70%	30%
	Revenue Growth		
	EPI	Performance-Based	Time-Based Restricted
	ROIC	Restricted Stock Units	Stock Units

The One-Time Synergy Award Program Achieved Its Goal

In 2012, in connection with the RSC Transaction, the Committee implemented a one-time supplemental award program (the Synergy Award) to incentivize NEOs in achieving specific goals related to driving synergies between the two companies. The Synergy Award was granted in the form of performance-based equity and was designed to pay out only if a \$204 million threshold goal was achieved. The program design, by focusing on annualized run-rate cost and revenue synergies, drove behaviors that led to exceptional results over the performance period approximately \$236 million in savings. As such, the total payout of the Synergy Award was 175% of target. No new awards will be granted under this program in the future.

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2013 Pay at a Glance

The significant majority of NEO pay is variable (89% for the CEO and an average of 74% for our other NEOs) based upon actual fiscal year 2013 compensation.

For 2013, all of the NEOs, with the exception of the CEO, received merit base salary increases. The Committee approved merit base salary increases to further align pay with market-competitive levels. On average, for 2013, the annual bonuses paid out slightly below target, while the equity grants paid slightly above target. In addition, in recognition of extraordinary performance and accomplishments during 2012, NEOs received grants of special performance-based RSUs that are eligible to vest over the next three years, contingent upon pre-determined performance goals, the 2013 Recognition Awards (see Our Executive Compensation Components Performance-Based Compensation Equity Compensation for details). Specific information about the compensation and benefits paid to each of the NEOs is set forth in the Summary Compensation Table below.

Summary of Our Executive Compensation Practices

What We Do	What We Don't Do
Heavy emphasis on variable (at-risk) compensation	No significant perquisites
Stock ownership guidelines	No supplemental executive retirement plans
Double-trigger equity vesting upon a change in control	No history of re-pricing equity awards
Clawback contract provisions and anti-hedging policy	No tax assistance
Target the median of the market (including the Executive Compensation Peer Group and other market survey data) when setting target pay	No tax gross-ups

Our Executive Compensation Philosophy and Objectives

Executive Compensation Philosophy

Our overall compensation program aligns executive compensation with the achievement of the Company's business objectives and with individual performance towards these objectives. It also enables the Company to attract, retain and reward executive officers and other key employees who contribute to our success and to incentivize them to enhance long-term stockholder value. In reviewing the components of compensation for each NEO, the Committee emphasizes pay for performance on both an annual basis and over the long-term.

To implement this philosophy, the executive compensation program is designed to be competitive with the programs of other companies with which the Company competes for talent, and to be fair and equitable to both the Company and the executives. Consideration is given to each executive's overall

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responsibilities, professional qualifications, business experience, job performance, technical expertise and career potential, and the combined value of these factors to the Company's long-term performance and growth.

Objectives of Executive Compensation

The objectives of our executive compensation program are to:

attract and retain quality executive leadership;

enhance the individual executive's performance;

align incentives with the business unit and Company areas most directly impacted by the executive's leadership and performance;

create incentives that will focus executives on, and reward them for, increasing stockholder value;

maintain equitable levels of overall compensation both among executives and as compared to other employees;

encourage management ownership of our common stock; and

improve our overall performance.

The Committee strives to meet these objectives while maintaining market-competitive pay levels and making efficient use of equity-based compensation.

Consideration of Advisory Say-on-Pay Results

At the Company's 2011, 2012 and 2013 annual meeting of stockholders, stockholders expressed substantial support for the compensation of the NEOs, with approximately 97% of the votes cast (on average) in all three years indicating approval of the say-on-pay advisory vote on executive compensation. The Committee considers the advisory say-on-pay vote, along with the other factors described herein, when evaluating the Company's compensation program or potential changes to the compensation program. In light of the favorable views of our stockholders regarding the compensation of the NEOs, the Committee did not implement significant changes to the executive compensation program as a result of the stockholder advisory vote.

How We Make Decisions Regarding Executive Pay

The Committee, management, and the Committee's independent compensation consultant all play an integral role in the determination of executive compensation programs, practices, and levels. Actual roles are thoughtfully developed to align with governance best practices and objectives.

Role of the Compensation Committee

The Committee is responsible for establishing, implementing and continually monitoring adherence to the Company's compensation philosophy. The Committee seeks to ensure that the total compensation paid to our executive officers is fair, reasonable and competitive.

The Committee's specific responsibilities are set forth in its charter, which may be found on the Company's website at <http://www.ur.com> under Corporate Governance in the Investor Relations section. Among other things, the Committee is required to: (i) determine and approve the

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compensation of the chief executive officer; (ii) determine and approve the compensation of the Company's other executive officers; (iii) review and approve any incentive compensation plan or equity-based plan for the benefit of executive officers; and (iv) review and approve any employment agreement, severance arrangement or change-in-control arrangement for the benefit of executive officers.

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Role of Management

Management's role in the determination of our executive compensation program is three-fold. First, management is responsible for developing proposals regarding program design and administration for the Committee's review and approval. Second, management is responsible for making recommendations for compensation actions each year, typically in the form of salary adjustments, short-term incentive targets or awards, and long-term incentive grants. Finally, management is responsible for responding to any Committee requests for information, analysis, or perspective as it relates to topics that may arise during the course of the year.

To carry out the responsibilities relating to program design and administration, the chief executive officer, chief financial officer and senior vice president of human resources consider the business strategy, key operating goals, economic environment and organizational culture in formulating proposals. Proposals are then brought to the Committee for thorough discussion. The Committee ultimately has the authority to approve management's proposals for the executive officers. For recommendations regarding compensation actions, the chief executive officer, the chief financial officer and the senior vice president of human resources consider market data, individual responsibilities, contributions, performance and capabilities of each of the executive officers, other than the chief executive officer, and what compensation arrangements they believe will drive desired results and behaviors. The considerations are used to determine if any change in compensation or award is warranted and the amount and type of any proposed change or award. After consulting with the senior vice president of human resources, the chief executive officer makes compensation recommendations, other than with respect to his own compensation, to the Committee. The Committee reviews management's recommendations regarding pay changes and awards and then approves or suggests changes to the proposal or may seek further analysis or background on the proposal.

Role of the Independent Compensation Consultant

The Committee also utilizes outside compensation experts. The Committee has engaged Pearl Meyer & Partners (PM&P) as its independent compensation consultant. PM&P reports directly to the Committee and provides no other consulting or other services to the Company. In July 2013, the Committee performed an independence assessment of PM&P pursuant to the rules and standards promulgated by the SEC and the New York Stock Exchange and determined that PM&P is an independent advisor. In performing their evaluation, the Committee took into consideration a letter from PM&P certifying its independence.

The compensation consultant generally reviews, analyzes and provides advice about the Company's executive compensation programs for senior executives in relation to the objectives of those programs, including comparisons to designated Executive Compensation Peer Group companies and comparisons to best practices, and provides information and advice on competitive compensation practices and trends, along with specific views on the Company's compensation programs. The compensation consultant responds on a regular basis to questions from members of the Committee and provides them with analysis and insight with respect to the design and implementation of current or proposed compensation programs. The compensation consultant reports directly to the Committee and also regularly attends Committee meetings.

Benchmarking of Compensation Levels

In making compensation decisions, the Committee compares each component of the total compensation package to the compensation components of comparable executive positions of a peer group of publicly-traded companies (the Executive Compensation Peer Group) or, if information for a sufficient number of comparable executive positions in the Executive Compensation Peer Group for the applicable year was not publicly available, the Committee assesses compensation decisions on comparisons with general industry executive compensation benchmarking data from Towers Watson's U.S. CDB General Industry Executive Database, adjusted for better comparability to the Company's

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projected revenue levels through a regression analysis (a commonly accepted statistical method for rendering companies of different sizes more comparable). The companies that make up the Executive Compensation Peer Group and the General Industry Executive Database may vary from year to year. While the Committee does not use a specific formula to determine the allocation between performance-based and fixed compensation, it does review the total compensation and competitive benchmarking when determining such allocation.

2013 compensation decisions were made with reference to the 2012 Executive Compensation Peer Group and the sample from the General Industry Executive Database for 2013 consisted of 249 non-financial services companies. In 2013, pay decisions for the Company’s NEOs other than the Company’s chief executive officer, chief operating officer and chief financial officer, were made with reference to the General Industry Executive Database.

In July of 2013, PM&P conducted the annual review of the Company’s Executive Compensation Peer Group and recommended to the Committee that, for compensation decisions made after July 2013, three additions be made to the 2012 Executive Compensation Peer Group, in order to increase the sample size of the Company’s Executive Compensation Peer Group and reflect changes in size and business mix of the Company, while continuing to focus on firms which are similar to the Company in terms of business structure and operations. The Committee adopted PM&P’s recommendations and added these companies to the Company’s Executive Compensation Peer Group: Waste Management, Inc., WESCO International, Inc. and Trinity Industries, Inc. All compensation decisions made after July 2013 were made with reference to the 2013 Executive Compensation Peer Group. For 2013, the Executive Compensation Peer Group consisted of:

Applied Industrial Technologies, Inc.	MSC Industrial Direct Co., Inc.
Avis Budget Group, Inc.	Republic Services, Inc.
Cintas Corporation	Ryder System, Inc.
Fastenal Company	Trinity Industries, Inc.
Harsco Corporation	Waste Management, Inc.
Hertz Global Holdings, Inc.	WESCO International, Inc.
J.B. Hunt Transport, Inc.	W.W. Grainger, Inc.

In December 2013, PM&P reviewed the compensation of the Company’s NEOs compared to the competitive benchmarks described above. Based on this review, the current level of target total direct compensation (including base salary, target annual incentives and long-term incentives) for the NEOs was positioned between the competitive 40th percentile and the 75th percentile of the relevant comparison group for 2013, except for Mr. Plummer, whose current level of target total direct compensation exceeds the competitive 75th percentile of the relevant comparison group for 2013. PM&P advised the Committee that the current level of target total direct compensation for the NEOs was reflective of the size of the Company and generally within a reasonable range of competitive norms, and the Committee considered these findings when determining base salaries, target annual incentives and long-term incentive grants for the balance of 2013, as well as for 2014.

Our Executive Compensation Components

The principal components of compensation for the Company’s NEOs in 2013 were:

base salary;

performance-based compensation, comprised of:

annual performance-based cash incentives; and

equity compensation;

severance and change in control benefits;

retirement benefits; and

perquisites and other personal benefits.

Table of Contents**Base Salary**

The Company provides its NEOs with a base salary to compensate them for services rendered during the fiscal year. Base salaries allow us to attract competent executive talent, maintain a stable management team and, through periodic merit increases, provide a basis upon which NEOs may be rewarded for individual performance.

Base salary levels are reviewed annually. The Committee's independent compensation consultant, PM&P, recommends salaries for the NEOs. In considering whether to adopt these suggestions, the Committee considers the Company's performance; the executive's individual performance; the executive's experience, career potential and length of tenure with the Company; the applicable terms, if any, of the NEO's employment agreement; the salary levels of similarly situated officers at Executive Compensation Peer Group companies or, if applicable, based on the adjusted general industry executive compensation benchmarking data from the General Industry Executive Database, as collected and presented by the independent compensation consultant; and the salary levels of the Company's other officers.

During the first quarter of each year, based on this process and a review conducted by the Committee's independent compensation consultant, the Committee considers increases to the base salaries of the Company's NEOs. The table below shows the results of the review of the NEOs salaries, and resulting changes for 2013 and 2014 (2014 base salary increases will become effective April 1, 2014):

Name	2014 Base Salary ⁽¹⁾	% Change 2013 - 2014	2013 Base Salary ⁽¹⁾	% Change 2012 - 2013	2012 Base Salary
Michael Kneeland	\$ 950,000 ⁽²⁾		\$ 950,000 ⁽²⁾		\$ 950,000
William Plummer	\$ 560,000	6.1%	\$ 527,850	3.5%	\$ 510,000
Matthew Flannery	\$ 560,000	8.0%	\$ 518,500	3.7%	\$ 500,000
Jonathan Gottsegen	\$ 416,000	4%	\$ 400,000	6.7%	\$ 375,000
Dale Asplund	\$ 458,796	4%	\$ 441,150	3.8%	\$ 425,000

(1) 2013 base salary changes for our NEOs were effective April 1, 2013. 2014 base salary changes for our NEOs will become effective April 1, 2014.

(2) At his request, Mr. Kneeland's base salary was not changed in 2013 or 2014. To recognize his exemplary performance, the Committee elected to acknowledge his leadership and the Company's performance with equity-based compensation in lieu of annual adjustments to base salary.

Performance-Based Compensation

Performance-based compensation serves two functions. First, it creates an incentive for the NEOs to focus on and achieve the objectives we identify as significant. The Committee works with its compensation consultant and with senior management, including the NEOs, to identify the specific areas to be addressed by performance metrics and decide on appropriate targets.

Second, it provides a mechanism by which NEOs' compensation fluctuates with the performance of the Company, helping to align NEOs' interests with those of stockholders. This is accomplished with comprehensive performance metrics, such as:

Adjusted earnings before interest, taxes, depreciation and amortization (as calculated in the manner set forth in Appendix A) (Adjusted EBITDA);

Adjusted EBITDA as a percentage of revenue (Adjusted EBITDA Margin);

Year-over-year economic profit improvement (Economic Profit Improvement);

Year-over-year rental revenue growth;

Growth in key accounts; and

Selling, general and administrative (SG&A) expenses as a percentage of revenue and free cash flow (as calculated in the manner set forth in Appendix A), which focus more on the Company s profitability or cash flows than the achievement of a specific goal.

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Each year, the Committee identifies and considers a wide range of measures for Company performance and, as appropriate, also considers measures tied to individual performance or stockholder return. With the assistance of its advisors, the Committee then selects the measures it believes most closely align with the Company's business and/or financial objectives (or other measures of performance, if applicable), or are otherwise most likely to support those objectives, and defines specific performance goals based on those metrics.

For 2013, the Company's performance compensation program for NEOs was comprised of four components: (i) an annual cash incentive; (ii) RSUs that vest based on continued employment with the Company; (iii) RSUs that vest based on the achievement of performance criteria; and (iv) for Messrs. Kneeland, Plummer and Flannery, stock options that reward executives for improvement in the Company's stock price. Performance-based awards are typically granted in connection with a Committee meeting held in the first quarter of each year. The date of the meeting is set several months in advance and usually occurs after the announcement of the Company's results for the previous fiscal year and before the end of the first fiscal quarter. As described below, the Committee has established metrics to assist it in determining awards, if any, in each of these components. The Committee retains discretion to deviate from these metrics.

Annual Performance-Based Cash Incentives

The Company currently maintains an annual cash incentive plan for our NEOs, the AICP which operates on the same incentive platform, with identical funding and payout ranges, for each of our NEOs. However, for Messrs. Kneeland, Plummer and Flannery (the Formula Executives), the incentive measures and goals that determine the bonus payout are formulaic in nature, and for Messrs. Gottsegen and Asplund, the final bonus payout determination is based upon an assessment of performance against pre-determined goals and objectives that may include formula-based goals, but is not limited to them. The following is a description of the incentive funding and allocation design, followed by details on the operation of, and results under, the AICP.

Incentive Funding. The Company makes significant investments in fixed assets, such as equipment and real estate, and believes that a focus on earning more than its cost of capital is critical and paramount to our stockholders. In recognition of the cyclical nature of the equipment rental business, it is critical that the NEOs remain focused on maximizing value throughout the business cycle. In addition, in 2013, the Committee recognized a need to alter its historic approach to funding the annual cash incentive for our NEOs and added a new metric, Economic Profit Improvement. We believe Economic Profit Improvement is highly correlated with strong stockholder returns and better reflects and measures year-over-year economic improvement while continuing to focus on exceeding cost of capital throughout the business cycle.

In 2013, the Company used three performance metrics to fund the annual cash incentive, Adjusted EBITDA, Adjusted EBITDA Margin and Economic Profit Improvement, each weighted one-third and each independent of the other.

The chart below details, for the 2013 performance period, the threshold, target and maximum levels established for Adjusted EBITDA, Adjusted EBITDA Margin and Economic Profit Improvement, as well as actual results for all three metrics for the 2013 performance period.

Performance Metric	Weighting of Performance Metric	2013 Performance Goals			2013 Actual Results
		Threshold	Target	Maximum	
Adjusted EBITDA ⁽¹⁾	33.3%	\$2,115 million	\$2,315 million	\$2,415 million	\$2,293 million
Adjusted EBITDA Margin ⁽²⁾	33.3%	44.7%	46.2%	46.8%	\$46.3%
Economic Profit Improvement ⁽³⁾	33.3%	\$61 million	\$161 million	\$211 million	\$133 million

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(1) Adjusted EBITDA is a non-GAAP measure representing EBITDA plus the impact of the following special items: RSC Transaction-related costs, restructuring charges, net stock compensation expense, impact of the fair value markup of acquired RSC fleet and inventory, and the gain on sale of software subsidiary calculated in the manner set forth in Appendix A.

(2) Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of revenue.

(3) Economic Profit Improvement is a non-GAAP metric which measures the year-over-year change in the spread between Return on Invested Capital and the Company's Weighted Cost of Capital.

Incentive Allocation. Once the initial level of incentive funding is determined based on the achievement of Adjusted EBITDA, Adjusted EBITDA Margin and Economic Profit Improvement as described above, the Committee adjusts the individual NEO's funding level based on the attainment of performance metrics and individual performance, as applicable.

The performance metrics selected for 2013 for the Formula Executives related to specific objective Company performance metrics that were highly correlated to enhancing stockholder value and were individually determined for each performance period. For the 2013 performance period, the Committee relied on: growth in rental revenue (40%); free cash flow (25%); reduction of SG&A expenses as a percentage of revenue (12.5%); and rental flow through (12.5%). In addition, given the role of management in numerous key initiatives, the Committee also established discretionary performance objectives tied to our customer-focused branch operations scorecard; safety performance; and the recruitment of diverse employees to key sales and management positions. While the discretionary performance objectives are weighted 10% in the aggregate, none of the discretionary performance objectives are individually weighted.

In setting the performance goals for each of the performance metrics for the Formula Executives, the Committee believed that correlating them to the board-approved internal operating plan was appropriate and fostered alignment of the Formula Executives' interests with stockholder interests.

At the time they are set, achievement of the performance goals established by the Committee for the Formula Executives is substantially uncertain. The threshold-level goals can be characterized as stretch but attainable goals, meaning that, based on historical performance, although attainment of this performance level is uncertain, it can reasonably be anticipated that the threshold level of performance may be achieved, while the target and maximum goals represent increasingly challenging and aggressive levels of performance.

The performance measures selected for 2013 for Messrs. Gottsegen and Asplund included both objective performance metrics and additional discretionary goals, none of which are dispositive or individually weighted. The objective performance metrics selected for Messrs. Gottsegen and Asplund included many of the same performance metrics selected for the Formula Executives; however, the performance metrics selected for Messrs. Gottsegen and Asplund were chosen based on Messrs. Gottsegen's and Asplund's respective areas of responsibility. In addition, their performance measures also included additional discretionary goals within their areas of responsibility. For Mr. Gottsegen, our Senior Vice President, General Counsel and Corporate Secretary, some of the goals included: coordination of board activities; corporate governance matters; reduction in legal SG&A; completing more of the Company's legal work in-house; compliance; securities and other regulatory filings; assisting with finance and business development matters; and termination and settlement of litigation matters. For Mr. Asplund, the Company's Senior Vice President, Business Services and Chief Information Officer, many of the goals were tied to: achievement of budgeting goals; efficient use of shared services; increased efficiency in fleet management; implementation of new purchasing procedures; warranty collections; contractor supplies and information and technology matters. Consequently, the specific performance goals and the extent to which they were achieved differ for each of Messrs. Gottsegen and Asplund.

2013 Targets and Results for the Formula Executives. In 2013, the Company maintained the AICP to provide annual cash compensation to the Formula Executives upon the achievement of pre-established performance goals in a manner intended to comply with Internal Revenue Code Section 162(m).

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The AICP permits awards up to \$5 million per year to each participant. For 2013, awards were designed so that achievement of EBITDA targets (for 2013, funding of the plan bonus pool was set at a maximum of 0.3% of EBITDA) would, subject to the \$5 million limit, establish the maximum award level for each of the Formula Executives, with actual award levels determined by achievement of performance goals described above. In 2013, the Committee established a target incentive for Mr. Kneeland of 125% of base salary and limited his maximum award benefit to 150% of base salary, which was consistent with the incentive targets specified in his employment agreement. The Committee established a target incentive of 90% of base salary for Mr. Plummer and provided for a maximum award benefit of 135% of base salary, which was consistent with the incentive targets specified in his employment agreement. The Committee also established a target incentive of 90% of base salary for Mr. Flannery and provided for a maximum award benefit of 135% of base salary, which was consistent with the incentive targets specified in his employment agreement.

The table below summarizes the threshold, target and maximum level performance goals established by the Committee for the Formula Executives and the actual performance of the Company in 2013, which resulted in funding of the annual cash incentive amount to be set at 97.7%, adjusted down, per the plan formula, to 95.71% based on the achievement of specific performance metrics.

Performance Metric	Weighting of Performance Metric	2013 Performance Goals			2013 Actual Results
		Threshold	Target	Maximum	
Rental Revenue Growth ⁽¹⁾	40%	\$142 million	\$371 million	\$485 million	\$276 million
Free Cash Flow ⁽²⁾	25%	\$252 million	\$452 million	\$552 million	\$421 million
SG&A Expenses as a percentage of Revenue	12.5%	14.3%	13.4%	13.1%	13.0%
Rental Flow Through ⁽³⁾	12.5%	70%	89.5%	100%	70.6%
Discretionary Component	10%				

(1) Rental revenue growth is the year-over-year change in rental revenue, with rental revenue for 2012 calculated on a pro-forma basis, taking into account the RSC Transaction.

(2) Free cash flow is a non-GAAP measure and is calculated in the manner set forth in Appendix A plus merger and restructuring payments.

(3) Rental flow through is the year-over-year change in rental gross profit divided by the year-over-year change in rental revenue, with 2012 calculated on a pro-forma basis, taking into account the RSC Transaction.

Based on the Adjusted EBITDA, Adjusted EBITDA Margin and Economic Profit Improvement in 2013, the funding of the annual cash incentive amounts for each of the Formula Executives was set at 97.7% of each executive's applicable bonus target, subject to adjustment up or down between 90% and 110% of the applicable bonus target based on the achievement of the specific performance metrics assigned to each NEO, as described above. In determining the amount of bonuses to pay for 2013, the Committee determined to pay Mr. Kneeland a bonus of \$1,136,556, Mr. Plummer a bonus of \$454,680 and Mr. Flannery a bonus of \$446,626 (which represents 95.71% of the target).

2013 Targets and Results for Messrs. Gottsegen and Asplund. In 2013, the Committee established a target incentive for Mr. Gottsegen of 80% of base salary, and pursuant to the Company's established compensation structure, a target incentive of 80% for Mr. Asplund, which was consistent with the incentive targets specified in each of their employment agreements. As discussed above, based on the Adjusted EBITDA, Adjusted EBITDA Margin and Economic Profit Improvement in 2013, the funding of the annual cash incentive amounts for each NEO was set at 97.7% of each executive's applicable bonus target, subject to adjustment up or down between 50% and 150% of the funded amount based on the achievement of the specific performance metrics assigned to each NEO, as described above. In determining the amount of bonuses to pay for 2013, the Committee determined to pay Mr. Gottsegen a bonus of \$312,640 (which represents 100% of the funded amount) and to pay Mr. Asplund a bonus of \$400,000 (which represents approximately 116% of the funded amount).

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Equity compensation directly aligns the interests of the NEOs with those of stockholders. The Committee recognizes that different types of equity compensation afford different benefits to the Company and the recipients. In 2013, the Company granted equity compensation using a combination of time-based and performance-based RSUs, as well as stock options.

Stock-settled RSUs are full value grants, meaning that, upon vesting, the recipient is awarded a full share of Company common stock. As a result, while the value executives realize in connection with an award of RSUs does depend on our stock price, time-based RSUs generally have some value even if the Company's stock price significantly decreases following their grant (unlike performance-based RSUs that do not vest unless a specified performance level is achieved). As a result, time-based RSUs help to secure and retain executives and instill an ownership mentality, regardless of whether the Company's stock price increases or decreases. In contrast, stock options aim to align the executives' interest with that of stockholder interests by providing the opportunity for executives to realize value only when the Company's stock price increases relative to the exercise price following their grant. Accordingly, stock options may end up having no value if, subsequent to the date of grant, the Company's common stock price declines below the exercise price and does not recover before the expiration of the stock option. Historically, neither the Company's RSUs nor its stock options earned any dividend equivalents.

In determining the size of each equity award granted, the Committee considers a variety of factors, including benchmarking data on competitive long-term incentive values, the percentage of long-term incentive value to be allocated to time-based RSUs, performance-based RSUs and stock options and the strategic importance of the executive's position within the Company as a whole. In terms of the actual allocation among time-based RSUs, performance-based RSUs and stock options, for Messrs. Gottsegen and Asplund, we allocated 67% to performance-based RSUs and 33% to time-based RSUs. However, for Messrs. Kneeland, Plummer and Flannery, a percentage of the long-term incentive grants remained in the form of stock options, and we allocated 25% to stock options, 40% to performance-based RSUs and 35% to time-based RSUs. In 2014, the Committee determined that it would no longer include stock options in its mix of equity awards granted to any of its NEOs; instead, the Committee determined that it would grant an award mix of 70% performance-based RSUs and 30% time-based RSUs.

Once the dollar value of the size of the equity award has been determined (using the factors described above), the actual number of RSUs (both time-based and performance-based) to be granted are calculated by dividing the dollar value of the proposed award by the closing price of the Company's stock on the equity award grant date and, for stock options, by dividing the dollar value of the proposed award by the binomial value of the Company's closing stock price on the grant date. The Company's award allocation for 2013 is presented in the table below:

NEO	2013 Time-Based RSUs (#) ⁽¹⁾	2013 Performance-Based RSUs (#) ⁽²⁾	2013 Options (#) ⁽³⁾
Michael Kneeland	30,913	63,222 ⁽⁴⁾	48,345
William Plummer	9,995 ⁽⁵⁾	9,298	12,722
Matthew Flannery	9,995 ⁽⁵⁾	9,298	12,722
Jonathan Gottsegen	2,915	5,918	
Dale Asplund	3,682	7,475	

(1) In determining the size and terms of the time-based RSU grants, the Committee reviewed benchmark data on competitive long-term incentive values, existing equity awards and vesting schedules. Time-based RSUs vest with respect to one-third of the shares subject to the grant on each anniversary of the grant date, subject to continued employment, with full vesting on the third anniversary of grant.

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- (2) In determining the size and terms of the performance-based RSU grants, the Committee reviewed benchmark data on competitive long-term incentive values, existing equity awards and vesting schedules. Performance-based RSUs vest with respect to one-third of the shares subject to the grant on each anniversary of the grant date subject to the satisfaction of the performance criteria described below.
- (3) The size and terms of the stock option awards were determined by the Committee based on a review of benchmark data on competitive long-term incentive values and existing equity awards. Stock options vest with respect to one-third of the shares subject to the grant on each anniversary of the grant date, subject to continued employment, with full vesting on the third anniversary of grant.
- (4) Represents a grant of 35,330 performance-based RSUs as part of the grant made to all NEOs on March 7, 2013 and a supplementary one-time grant of 27,892 performance-based RSUs granted on March 7, 2013, in recognition of Mr. Kneeland's extraordinary performance and accomplishments during 2012.
- (5) Represents a grant of 8,135 time-based RSUs as part of the grant made to all NEOs on March 7, 2013 and a supplementary one-time grant of 1,860 time-based RSUs granted on March 7, 2013, in recognition of Messrs. Plummer's and Flannery's extraordinary performance and accomplishments during 2012. For grants of performance-based RSUs in 2013 (which includes the first tranche of performance-based RSUs granted in 2013, the second tranche of performance-based RSUs granted in 2012 and the third tranche of performance-based RSUs granted in 2011), the number of RSUs that may vest each year is tied to the Company's achievement of annual performance targets, determined by the Committee each year. Performance-based RSUs are each eligible to vest with respect to one-third of the shares on the annual certification date subject to the achievement of performance criteria described below, and provided the employee is continuously employed at the end of each one-year performance period. The number of performance-based RSUs that may vest ranges from 0% to 200% of the target number of RSUs granted, based upon the Company's performance. For 2013, the selected performance measures were Adjusted EBITDA and Adjusted EBITDA Margin, with each metric controlling 50% of the shares. If either or both metrics were met at threshold, 50% of the shares controlled by that metric would vest; if either metric failed to meet threshold, all of the shares that were controlled by such metric would be forfeited. In the event that actual Adjusted EBITDA and/or Adjusted EBITDA Margin results exceeded threshold, 100% of the shares and 200% of the shares controlled by such metric would vest if target or maximum, respectively, were met for such metric, with shares vesting ratably for achievement between threshold and target and target and maximum. For 2013, performance thresholds were set at the Company achieving Adjusted EBITDA of \$2,115 million and an Adjusted EBITDA Margin of 44.7%. In 2013, the Adjusted EBITDA threshold was exceeded but the target was missed, resulting in 94.5% of the target number of RSUs controlled by that metric vesting and the Adjusted EBITDA Margin threshold and target were both exceeded, resulting in 125.0% of the target number of RSUs controlled by that metric vesting, resulting in a cumulative 109.75% of each NEO's performance-based RSUs eligible to vest for 2013 vesting. The chart below shows how the performance-based RSUs vested for performance in 2013.

Performance Metric	Weighting of Performance Metric	2013 Performance Goals and Results				
		Threshold	Target	Maximum	2013 Actual Results	% of Target
Adjusted EBITDA ⁽¹⁾	50%	\$2,115 million	\$2,315 million	\$2,415 million	\$2,293 million	94.5%
Adjusted EBITDA Margin ⁽²⁾	50%	44.7%	46.2%	46.8%	46.3%	125.0%
Weighted Average of the Target Award that Vested						109.75%

(1) Adjusted EBITDA is a non-GAAP measure representing EBITDA plus the impact of the following special items: RSC Transaction-related costs, restructuring charges, net stock compensation expense, impact of the fair value markup of acquired RSC fleet and inventory, and the gain on sale of software subsidiary calculated in the manner set forth in Appendix A.

(2) Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of revenue. In March 2013, in recognition of extraordinary performance and accomplishments during 2012, the Committee awarded Mr. Kneeland \$1,500,000 of performance-based RSUs eligible for vesting over the next three years, based on the achievement of performance goals described above.

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In addition to the equity-based awards described above, in 2012, the Committee implemented a one-time supplemental awards program with awards based upon the achievement of synergy-related milestones tied to the Company's purchase of, and integration with, RSC (the Synergy Award). The RSC Transaction closed in April 2012.

The Synergy Award granted an award at the stated target award amount but actual payment of the award was based on the Company's synergy-related performance during two separate performance periods: (i) from April 30, 2012 through April 29, 2013 (the first performance period) and (ii) from April 30, 2012 through October 31, 2013 (the second performance period). At the close of each performance period, the Committee determined whether or not any payment was due based on the achievement of threshold performance goals. For the first performance period, the threshold annualized run-rate synergy goal was \$134 million and the target goal was \$150 million. For the second performance period, the threshold annualized goal was \$204 million, the target goal was \$219 million and the maximum goal was \$234 million. In 2013, the Committee determined that maximum run-rate synergy goals were achieved for both performance periods and all synergy awards were paid out at 175% of the target award payment. All awards were settled in common stock of the Company. Synergy targets were based on the same synergies described in the Company's Form 10-K for the year ended December 31, 2013.

In May 2013, the Committee unanimously approved the achievement of the run-rate synergies of \$178 million for the first performance period. This achievement resulted in award payments for the first performance period at 25% of target, representing the maximum possible award for the first performance period, with a grant date of May 22, 2013. Actual payouts were valued at \$250,000, \$150,000, \$150,000, \$112,500 and \$62,500 and consisted of 4,475, 2,685, 2,685, 2,014 and 1,119 gross shares of common stock for Messrs. Kneeland, Plummer, Flannery, Asplund and Gottsegen, respectively.

In November 2013, the Committee unanimously approved the achievement of the run-rate synergies of \$234 million for the second performance period, which exceeded the maximum goal. This achievement resulted in award payments for the second performance period at 150% of target, representing the maximum possible award for the second performance period, with a grant date of November 15, 2013. This payment concluded the synergy award program. Actual payouts were valued at \$1,500,000, \$900,000, \$900,000, \$675,000 and \$375,000 and consisted of 21,869, 13,121, 13,121, 9,841 and 5,467 gross shares of common stock for Messrs. Kneeland, Plummer, Flannery, Asplund and Gottsegen, respectively.

The performance goals that the Synergy Award contemplated were the realization of annualized run-rate cost synergies consisting of (1) cost synergies savings realized due to reductions or savings in the cost basis of the Company (generally flowing to EBITDA) and (2) at the discretion of the Committee, and provided minimum threshold annualized run-rate cost synergies have been achieved, revenue synergies incremental revenues that can be achieved as a result of the RSC Transaction.

Severance and Change in Control Benefits

The Committee believes that agreeing to provide reasonable severance benefits is common among similar companies and is essential to recruiting and retaining key executives, which is a fundamental objective of our executive compensation program. Accordingly, the employment agreements with the NEOs generally provide for varying levels of severance in the event that the Company terminates the executive's employment without cause or the executive resigns from employment for good reason (each as defined in the employment agreement with the executive, as set forth in more detail under Benefits upon Termination of Employment). Mr. Kneeland would receive 450% of his base salary paid over a two-year period. Mr. Plummer would receive 190% of his base salary paid over one year. Mr. Flannery would receive 380% of his base salary paid over a two-year period. Mr. Gottsegen would receive 180% of his base salary paid over one year. Mr. Asplund would receive a severance payment equal to 100% of his base salary paid over one year. Severance

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payments to the NEOs are conditioned on their execution of a release of claims in favor of the Company. In addition, each of the NEOs are subject to non-competition and non-solicitation restrictions for a period of time following their termination, as described in more detail under Benefits upon Termination of Employment.

The Company's time-based RSUs and stock options granted to each of the NEOs in 2011, 2012 and 2013 provide that if the Company terminates the executive's employment without cause, all unvested RSUs or stock options will be cancelled, unless such termination occurs within 12 months following a change in control, in which case all such unvested RSUs and stock options will immediately vest. The Company's performance-based RSUs granted to each of the NEOs in 2011, 2012 and 2013 provide that if the holder terminates for any reason, all RSUs are forfeited, unless the Company terminates the executive's employment without cause, or the executive resigns from employment with good reason, within 12 months following a change in control, in which case all performance-based RSUs will be deemed earned at the target level.

The Company also typically provides its executives with COBRA continuation coverage for a period coterminous with the duration of their severance benefit, although variations exist.

The prospect of a change in control of the Company can cause significant distraction and uncertainty for executive officers and, accordingly, the Committee believes that appropriate change in control provisions in employment agreements and/or equity awards are important tools for aligning executives' interests in change in control scenarios with those of stockholders by allowing our executive officers to focus on strategic transactions that may be in the best interest of our stockholders without undue concern regarding the effect of such transactions on their continued employment. In addition, changes to the Company following a change in control may affect the ability to achieve previously set performance measures. **Consequently, outstanding RSU and stock option awards held by the NEOs include double trigger treatment upon a change in control.** A change in control for this purpose is defined in the employment agreement with the executive or in the applicable award agreement, as set forth in more detail under Benefits upon a Change in Control. In the case that the change in control results in shares of common stock of the Company (or any direct or indirect parent entity) being publicly traded, then all such RSUs and stock options will vest in full, and all performance conditions for performance-based RSUs will be deemed satisfied at their target level, if there is also a termination by the Company without cause or by the individual for good reason within 12 months following the change in control. However, in the limited circumstances that the change in control results in none of the common stock of the Company (or any direct or indirect parent entity) being publicly traded, then all such RSUs and stock options will vest in full, and all performance conditions for performance-based RSUs will be deemed satisfied at their target level, upon the change in control.

The existence of arrangements providing for severance and change in control benefits did not affect decisions that the Committee made regarding other compensation elements.

The Internal Revenue Code imposes an excise tax on the value of certain payments that are contingent upon a change in control, referred to as parachute payments, which exceed a safe harbor amount. The Company does not provide any executive with a gross-up for any excise tax that may be triggered. Mr. Kneeland's employment agreement provides that, if he receives payments that would result in the imposition of the excise tax, such payments will be reduced to the safe harbor amount so that no excise tax is triggered if the net after-tax benefit to him is greater than the net after-tax benefit that he would receive if no reduction occurred.

The severance and change-in-control provisions of our NEOs' employment agreements and other arrangements are described in detail in the sections Benefits upon Termination of Employment and Benefits upon a Change in Control, respectively.

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Nonqualified Deferred Compensation Plans

In December 2012, the Committee considered the need to integrate and harmonize existing Company compensation plans with plans assumed pursuant to the RSC Transaction. Pursuant to this discussion, the Committee determined that it would be in the best interests of the Company to integrate the United Rentals, Inc. Deferred Compensation Plan and any plans assumed in the RSC Transaction into a new non-qualified deferred compensation plan, the Executive Nonqualified Excess Plan (the "ENEP"), which became effective January 1, 2013, and is substantially consistent with the former Deferred Compensation Plan.

The ENEP is an unfunded plan and the participants in the plan are unsecured general creditors of the Company. The ENEP permits a select group of management and other highly compensated employees and independent contractors of the Company to defer all or part of their base salary, service-based bonus and performance-based compensation. Deferred amounts are credited with earnings (or losses) based on the investment experience of measurement indices selected by the participant from among the choices offered by the plan. The ENEP also provides for additional credits that are discretionary on the part of the Company. The Company did not make any contributions to the ENEP in 2013. Participants must elect to begin receiving distributions on a date at least two years following the end of the year of contribution and may receive payment of his or her vested account balance either in a single lump sum or in a series of annual installments over a period not to exceed 5 years. The entire vested account balance is paid out in a lump sum once a participant separates from service with the Company, unless the participant is 65 or older, in which case the participant may elect that the balance be paid out as a series of annual installments over a period not to exceed 10 years.

Retirement Benefits

The Committee believes that providing a cost-effective retirement benefit for the Company's executives is an important recruitment and retention tool. Accordingly, the Company maintains a 401(k) plan for all employees, and provides discretionary employer-matching contributions (subject to certain limitations, including an annual limit of \$3,000 for 2013) based on an employee's contributions.

Perquisites and Other Personal Benefits

We maintain various employee benefit programs, including health and medical benefits, for all of our employees, including our NEOs. In addition, in December 2012, the Committee approved an Executive Wellness Program for all executives who are Senior Vice Presidents or above. All of our NEOs are eligible to participate in this program.

The Company does not have a formal perquisite policy, although the Committee periodically reviews perquisites for our NEOs. Rather, there are certain specific perquisites and benefits with which the Company has agreed to compensate particular executives based on their specific situations. Among these are relocation costs, including temporary housing and living expenses, and use of Company vehicles.

In order to make travel time more conducive to work-related activities, we may periodically provide our executives with business class travel on commercial airlines when they are traveling for work-related matters.

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Other Programs, Policies and Considerations

Recoupment Provisions

Beginning with Mr. Kneeland's new employment agreement entered into in August 2008, and continuing with Mr. Plummer's December 2008 employment agreement, Mr. Gottsegen's February 2009 employment agreement, and Mr. Flannery's 2010 employment agreement, the Committee has included "clawback" provisions in its agreements that generally require reimbursement of amounts paid under performance provisions (in the case of cash incentives and performance-based RSUs) if amounts were paid or shares vested based on financial results that subsequently become subject to certain mandatory restatements (as defined in the applicable employment agreement) that would have led to lower payments or forfeiture of all or a portion of shares subject to an award. More generally, for all RSU and stock option awards since 2009, including both time-based and performance-based RSUs, the award forms include an "injurious conduct" provision that requires forfeiture of the award or, to the extent the award has vested or been exercised within six months prior to the occurrence of the relevant conduct, mandates reimbursement of shares or amounts realized. The injurious conduct concept is generally focused on actions that would constitute "cause" under an employment agreement, which actions are in material competition with the Company or breach the executive's duty of loyalty to the Company.

Stock Ownership Guidelines

The Committee believes stock ownership guidelines are a key vehicle for aligning the interests of management and the Company's stockholders. Moreover, a meaningful direct ownership stake by our officers demonstrates to our investors a strong commitment to the Company's success. Accordingly, in February 2010, the Committee adopted stock ownership guidelines for our NEOs and approximately 30 other officers with a title of vice president and above. Under the stock ownership guidelines, the Company's chief executive officer is required to hold five times his base salary in the Company's common stock, the chief financial officer and chief operating officer are required to hold three times their base salary in the Company's common stock, and all other officers are required to hold one times their base salary in the Company's common stock. The following shares count towards meeting these ownership guidelines: shares that are directly owned by the executive; shares that are beneficially owned by the executive, such as shares held in "street name" through a broker or shares held in trust; amounts credited to the executive's deferred compensation or 401(k) accounts that are invested or deemed invested in the Company's common stock; unvested restricted stock units or RSUs that vest based on continued service; and the value of the spread (the difference between the exercise price and the full market value of the Company's common stock) of fully vested stock options. The NEOs and the other officers are required to be in compliance with such guidelines within five years of their effective date in February 2010. Each of the NEOs had satisfied the stock ownership guidelines when their holdings were measured as of March 2014.

No Hedging Policy; No Pledging

In addition, to further align our executives with the interests of the Company's stockholders, the Company's insider trading policy and the Second Amended and Restated 2010 Long-Term Incentive Plan prohibit transactions designed to limit or eliminate economic risks to our executives from owning the Company's common stock, such as transactions involving options, puts, calls or other derivative securities tied to the Company's common stock. On an annual basis, we also ask our directors and executive officers to identify any shares of Company common stock pledged in a margin brokerage account or otherwise used as collateral to support a borrowing. For 2014, no such directors or executive officers reported any shares pledged for such purpose.

Tax and Accounting Considerations

When it reviews compensation matters, the Committee considers the anticipated tax and accounting treatment of various payments and benefits to the Company and, when relevant, to the

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executive. Internal Revenue Code Section 162(m) (Section 162(m)) limits to \$1 million the annual tax deduction for compensation paid to each of the chief executive officer and the three other highest-paid executive officers employed at the end of the year (other than the chief financial officer). However, compensation that does not exceed \$1 million during any fiscal year or that qualifies as performance-based compensation (as defined in Section 162(m)) is deductible. The Committee considers these requirements when designing compensation programs for NEOs. Although the Company has plans that permit the award of deductible compensation under Section 162(m), the Committee does not necessarily limit executive compensation to the amount deductible under that provision. Rather, it considers the available alternatives and acts to preserve the deductibility of compensation in its discretion to the extent reasonably practicable and consistent with its other compensation objectives. As a result, most of the Company's compensation programs (including annual performance-based cash incentives, stock options and performance-based RSUs) are designed to qualify for deductibility under Section 162(m). However, in certain situations, the Committee may in its discretion approve compensation that will not meet these requirements in order to ensure competitive levels of total compensation for the NEOs or for other reasons.

New employment or similar agreements and employee benefit plans are prepared with the assistance of outside counsel and will be designed to comply with Section 409A and the applicable regulations, a tax law that governs nonqualified deferred compensation. Existing employment agreements and employee benefit plans were amended to comply with Section 409A statutory deadlines imposed in 2008, 2010 and 2012.

The Company accounts for stock-based compensation in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB ASC 718), which requires the Company to recognize compensation expense relating to share-based payments (including stock options and other forms of equity compensation). FASB ASC 718 is taken into account by the Committee in determining which types of equity awards should be granted.

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Compensation Risks

The Company's management reviews the Company's compensation policies and practices to ensure that they appropriately balance short- and long-term goals and risks and rewards. Specifically, this review includes the annual cash incentive program that covers all senior management and a broad employee population, and equity compensation. These plans are designed to focus senior management and employees on increasing stockholder value and enhancing financial results. Based on this comprehensive review, we concluded that our compensation program does not encourage excessive risk-taking for the following reasons:

Our programs appropriately balance short- and long-term incentives, with approximately 45% of total target compensation for the NEOs provided in equity and focused on long-term performance. We feel that these variable elements of compensation are a sufficient percentage of overall compensation to motivate executives to produce superior short- and long-term results and we believe that the significant use of long-term incentives for executives provides a safeguard against excessive short-term risk-taking.

Our executive compensation program pays for performance against financial targets that are set to be challenging to motivate a high degree of business performance, with an emphasis on longer-term financial success and prudent risk management.

All incentive plans concerning senior management and our employees include a profit metric as a significant component of performance to promote disciplined progress toward financial goals. None of our incentive plans are based solely on signings or revenue targets, which mitigates the risk of employees focusing exclusively on the short-term.

Qualitative factors beyond the quantitative financial metrics are a key consideration in the determination of individual compensation payments. Prudent risk management is one of the qualitative factors that are taken into account in making compensation decisions.

Our stock ownership guidelines require that senior management holds a significant amount of the Company's common stock to further align their interests with stockholders over the long term by having a portion of their personal investment portfolio consist of Company stock and we expect this component to be a risk mitigator on a prospective basis. In addition, the Company prohibits transactions designed to limit or eliminate the economic risk to its executives of owning the Company's common stock, such as options, puts and calls, so its executives cannot insulate themselves from the effects of poor stock price performance.

The Company's RSU and stock option award agreements have a policy providing for the clawback of payments under such awards in the event that an officer's conduct leads to certain mandatory restatements of the Company's financial results that would have led to lower payments or forfeiture of all or a portion of shares subject to an award. In addition, as discussed above, since 2009, the Company's equity awards have included an injurious conduct provision that requires the forfeiture of the award or, to the extent the reward has vested or been exercised within six months prior to the occurrence of the relevant conduct, mandates reimbursement of shares or amounts realized.

In addition to the review performed by management, the Committee also performed a risk assessment in 2014. The Committee reviewed both risk mitigators' elements of the executive compensation architecture that assist in mitigating excessive risk and risk aggravators' elements of compensation architecture that potentially encouraging risk-taking. On balance, the Committee found that the sum total of the risk mitigators affecting the Company, including the opportunity of stockholders to cast advisory votes on executive compensation, stock ownership guidelines for executives, an independent compensation committee and compensation consultant, clawback provisions in executive officer employment agreements and an effective balance of cash and equity compensation, greatly outweighed any risk aggravators. The Committee found that compensation risks were being properly addressed by the Company.

We are confident that our program is aligned with the interests of our stockholders and rewards for performance.

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Compensation Committee Report

The Compensation Committee has reviewed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K and discussed that analysis with management and with the Compensation Committee's independent compensation consultant. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's annual report on Form 10-K and in this proxy statement.

THE COMPENSATION COMMITTEE

Singleton B. McAllister, Chairman

Pierre E. Leroy

Filippo Passerini

Keith Wimbush

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The table below summarizes the total compensation paid or earned by each of the NEOs for the fiscal years ended December 31, 2013, 2012 and 2011.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ (\$)	Option Awards ⁽¹⁾⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation ⁽⁵⁾ (\$)	All Other Compensation ⁽⁶⁾ (\$)	Total (\$)
Michael Kneeland President and Chief Executive Officer	2013	950,000 ⁽⁷⁾		3,742,819	1,187,500	1,136,556	3,000	7,019,875
	2012	858,432		2,601,325	625,006	1,036,788	2,000	5,123,551
	2011	791,317		1,183,135	562,497	1,150,000	2,000	3,688,949
William Plummer Executive Vice President and Chief Financial Officer	2013	523,044 ⁽⁸⁾⁽⁹⁾		988,745	312,500	454,680	3,000	2,281,969
	2012	504,616		1,080,728	187,500	447,892	2,000	2,222,736
	2011	486,019		355,225	196,830	450,800	1,505	1,490,379
Matthew Flannery Executive Vice President and Chief Operating Officer	2013	513,519 ⁽¹⁰⁾		956,477	312,500	446,626	3,000	2,232,122
	2012	479,808		1,056,019	187,500	439,110	2,000	2,164,437
	2011	411,731		283,072	153,090	439,875	2,000	1,289,768
Jonathan Gottsegen Senior Vice President, General Counsel & Corporate Secretary	2013	393,569 ⁽¹¹⁾		474,178		312,640	3,000	1,183,387
	2012	371,096		527,571		365,740	2,000	1,266,407
	2011	357,714		178,912		302,820	2,000	841,446
Dale Asplund Senior Vice President Business Services and Chief Information Officer	2013	436,801 ⁽¹²⁾		612,070		400,000	3,000	1,451,871
	2012	361,550		1,429,835		452,515	2,000	2,245,900
	2011	318,332		292,788		320,000	2,000	933,120

- (1) Except as otherwise noted, the amount in this column represents the grant date fair value of the stock awards or option awards, as applicable, computed in accordance with stock-based compensation accounting rules (FASB ASC Topic 718), disregarding for this purpose the effect of estimated forfeitures.
- (2) The weighted average fair value of options granted in 2013 was \$24.56. The grant date fair value is estimated using an option pricing model which uses subjective assumptions which can materially affect fair value estimates and, therefore, does not necessarily provide a single measure of fair value of options. Under this model for options granted in 2013, we used a risk-free interest rate average of 1.15%, a volatility factor for the market price of our common stock of 64% and a weighted-average expected life of options of approximately six years. For a discussion of the assumptions involved in the Company's valuations please see Notes to Consolidated Financial Statements 2. Summary of Significant Accounting Policies Stock-Based Compensation in the Company's Form 10-K for the year ended December 31, 2013.
- (3) Pursuant to FASB ASC Topic 718, the accounting grant date is the date the performance metrics are approved by the Compensation Committee and communicated to the employee. Since the Compensation Committee does not establish performance metrics until after the beginning of each fiscal year, the performance-based RSUs subject to performance vesting in year 2014 have not been expensed and are therefore not included in the table above.
- (4) Amounts for each NEO include the aggregate grant date fair value of time-based RSUs and performance-based RSUs. The aggregate grant date fair value of performance-based RSUs awarded on March 7, 2013, which represents the first tranche of the performance-based RSUs awarded in 2013, the second tranche of the performance-based RSUs awarded in 2012 and the third tranche of the performance-based RSUs awarded in 2011, is computed in accordance with FASB ASC Topic 718, and represents the probable grant date fair values on the date of grant (100% of the target). The grant date fair value of such awards for Mr. Kneeland is \$2,080,318 (representing 9,527 RSUs awarded in 2011, 8,080 RSUs awarded in 2012 and 21,075 RSUs awarded in 2013), Mr. Plummer is \$451,214 (representing 2,866 RSUs awarded in 2011, 2,424 RSUs awarded in 2012 and 3,100 RSUs awarded in 2013), Mr. Flannery is \$418,946 (representing 2,266 RSUs awarded in 2011, 2,424 RSUs awarded in 2012 and 3,100 RSUs awarded in 2013), Mr. Gottsegen is \$317,410 (representing 2,034 RSUs awarded in 2011, 1,895 RSUs awarded in 2012 and 1,973 RSUs awarded in 2013) and Mr. Asplund is \$414,052 (representing 2,500 RSUs awarded in 2011, 2,707 RSUs awarded in 2012 and 2,492 RSUs awarded in 2013). The grant date fair value of the third tranche of the 2011 award, assuming the achievement of maximum performance, for Mr. Kneeland is \$1,024,724 (representing 19,054 RSUs), Mr. Plummer is \$308,267 (representing 5,732 RSUs), Mr. Flannery is \$243,731 (representing 4,532 RSUs), Mr. Gottsegen is \$218,777 (representing 4,068 RSUs) and Mr. Asplund is \$268,900 (representing 5,000

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RSUs). The grant date fair value of the second tranche of the 2012 award, assuming the achievement of maximum performance, for Mr. Kneeland is \$869,085 (representing 16,160 RSUs), Mr. Plummer is \$260,725 (representing 4,848 RSUs), Mr. Flannery is \$260,765 (representing 4,848 RSUs), Mr. Gottsegen is \$203,826 (representing 3,790 RSUs) and Mr. Asplund is \$291,165 (representing 5,414 RSUs). The grant date fair value of the first tranche of the 2013 award, assuming the achievement of maximum performance, for Mr. Kneeland is \$2,266,827 (representing 42,150 RSUs),

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Mr. Plummer is \$333,436 (representing 6,200 RSUs), Mr. Flannery is \$333,436 (representing 6,200 RSUs), Mr. Gottsegen is \$212,216 (representing 3,946 RSUs) and Mr. Asplund is \$268,040 (representing 4,984 RSUs).

- (5) Represents the amount earned under the AICP with respect to the applicable fiscal year.
- (6) This column includes the Company's matching contributions to the Company's 401(k) plan, which for 2013 was \$3,000 for each NEO. For 2013, none of the NEOs received perquisites or personal benefits with a total value exceeding \$10,000, and in accordance with SEC regulations, perquisites and personal benefits have been omitted.
- (7) Mr. Kneeland's base salary was increased to \$950,000, effective October 22, 2012. Mr. Kneeland's base salary was not adjusted again in 2012 or 2013 and was not adjusted during the 2014 annual review of our NEO's base salaries.
- (8) Mr. Plummer elected to defer \$44,789 of his annual base salary under the Deferred Compensation Plan, as described below under Nonqualified Deferred Compensation in 2013.
- (9) Mr. Plummer's annual base salary was \$510,000 through March 31, 2013 and was raised to \$527,850 to reflect a merit increase in connection with our annual review of our NEOs' base salaries, effective April 1, 2013.
- (10) Mr. Flannery's annual base salary was \$500,000 through March 31, 2013 and was raised to \$518,500 to reflect a merit increase in connection with our annual review of our NEOs' base salaries, effective April 1, 2013.
- (11) Mr. Gottsegen's annual base salary was \$375,000 through March 31, 2013 and was raised to \$400,000 to reflect a merit increase in connection with our annual review of our NEOs' base salaries, effective April 1, 2013.
- (12) Mr. Asplund's annual base salary was \$425,000 through March 31, 2013 and was raised to \$441,150 to reflect a merit increase in connection with our annual review of our NEOs' base salaries, effective April 1, 2013.

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The table below summarizes the equity and non-equity awards granted to the NEOs in 2013.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan			Estimated Future Payouts Under Equity Incentive Plan			All Other Stock Awards: Number of Shares of Stock Units (#) ⁽¹⁾	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh) ⁽²⁾	Grant Date Fair Value of Stock and Option Awards (\$) ⁽³⁾
		Threshold	Target	Maximum	Threshold	Target	Maximum				
		(\$) ⁽⁴⁾	(\$) ⁽⁴⁾	(\$) ⁽⁴⁾	(#) ⁽⁵⁾	(#) ⁽⁵⁾	(#) ⁽⁵⁾				
Michael Kneeland	3/7/2013				4,764	9,527	19,054	30,913	48,345	53.78	1,662,501
	3/7/2013				4,040	8,080	16,160				
	3/7/2013				10,538	21,075	42,150				
		\$ 534,375	\$ 1,187,500	\$ 1,959,375							
William Plummer	3/7/2013				1,433	2,866	5,732	9,995	12,722	53.78	537,531
	3/7/2013				1,212	2,424	4,848				
	3/7/2013				1,550	3,100	6,200				
		\$ 213,779	\$ 475,065	\$ 783,857							
Matthew Flannery	3/7/2013				1,133	2,266	4,532	9,995	12,722	53.78	537,531
	3/7/2013				1,212	2,424	4,848				
	3/7/2013				1,550	3,100	6,200				
		\$ 209,993	\$ 466,650	\$ 769,973							
Jonathan Gottsegen	3/7/2013				1,017	2,034	4,068	2,915			156,759
	3/7/2013				948	1,895	3,790				
	3/7/2013				987	1,973	3,946				
		\$ 160,000	\$ 320,000	\$ 480,000							
Dale Asplund	3/7/2013				1,250	2,500	5,000	3,682			198,018
	3/7/2013				1,354	2,707	5,414				
	3/7/2013				1,246	2,492	4,984				
		\$ 176,460	\$ 352,920	\$ 529,380							

(1)The amounts in this column represent the number of time-based RSUs awarded to each of the NEOs in 2013.

(2)The exercise price of the stock option awards was the closing price of the Company's common stock on the grant date.

(3)The amounts in this column represent the grant date fair value of stock and option awards computed in accordance with stock-based compensation accounting rules (FASB ASC Topic 718). For stock awards, the grant date fair value is the fair market value of the Company's common stock on the grant date multiplied by the number of shares subject to the grant. The weighted average fair value of options granted in 2013 was \$24.56. The grant date fair value is estimated using an option pricing model which uses subjective assumptions which can materially affect fair value estimates and, therefore, does not necessarily provide a single measure of fair value of options. Under this model for options granted in 2013, we used a risk-free interest rate average of 1.15%, a volatility factor for the market price of our common stock of 64%, and a weighted-average expected life of options of approximately six years. For a discussion of the assumptions involved in the Company's valuations please see Notes to Consolidated Financial Statements 2. Summary of Significant Accounting Policies Stock-Based Compensation in the Company's Form 10-K for the year ended December 31, 2013.

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(4) Represents the threshold, target and maximum, as applicable, amounts payable under the 2013 AICP. Under the 2013 AICP, as described under Compensation Discussion and Analysis Our Executive Compensation Components Performance-Based Compensation Annual Performance-Based Cash Incentives above, the funding of the annual cash incentive is based on the achievement of Adjusted EBITDA, Adjusted EBITDA Margin and Economic Profit Improvement, each weighted one-third and each independent of the other. For Messrs. Kneeland, Plummer and Flannery, the threshold amount is 50% of the target amount. The maximum bonus amount is 150% of the target amount. The threshold and maximum amounts are subject to adjustment up or down between 90% and 110% based on the achievement of the specific performance metrics. The maximum funding in this case refers to funding under the 2013 AICP Plan. Amounts above the formula maximum may be approved subject to the AICP limits set in accordance with Internal Revenue Code 162(m). The actual cash incentive amounts paid to our NEOs in 2013 for performance related to 2013 pursuant to the 2013 AICP are included in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table, above.

(5) Represents the target, threshold and maximum number of awards for the third tranche of performance-based RSUs awarded in 2011, the second tranche of performance-based RSUs awarded in 2012 and the first tranche of the performance-based RSUs awarded on March 7, 2013, that have been accounted for pursuant to FASB ASC Topic 718. With regard to the performance-based RSUs granted in 2011, the target number of units awarded on March 7, 2013, without regard to grant date (as determined under applicable accounting rules), was 9,527 for Mr. Kneeland, 2,866 for Mr. Plummer, 2,266 for Mr. Flannery, 2,034 for Mr. Gottsegen and 2,500 for Mr. Asplund. With regard to the performance-based RSUs granted in 2012, the target number of units awarded on March 7, 2013, without regard to grant date (as determined under applicable accounting rules), was 8,080 for Mr. Kneeland, 2,424 for Messrs. Plummer and Flannery, 2,034 for

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Mr. Gottsegen and 2,707 for Mr. Asplund. With regard to the performance-based RSUs granted in 2013, the target number of units awarded on March 7, 2013, without regard to grant date (as determined under applicable accounting rules), was 21,075 for Mr. Kneeland, 3,100 for Messrs. Plummer and Flannery, 1,973 for Mr. Gottsegen and 2,492 for Mr. Asplund. As described under Compensation Discussion and Analysis Our Executive Compensation Components Performance-Based Compensation Equity Compensation above, the number of units that will vest will vary from 0% to 200% of one-third of the award each year for 2013, 2014 and 2015. If either or both performance metrics were met at threshold, 50% of the shares controlled by that metric would vest; if either metric failed to meet the threshold, the shares controlled by that metric would be forfeited. If either metric exceeded the threshold but was at or below the target level, 50-100% of the shares controlled by that metric would vest, ratably. If either metric exceeded the target level, the shares controlled by that metric would vest ratably up to the maximum level of 200% of the shares. Pursuant to FASB ASC Topic 718, the accounting grant date is the date the performance metrics are approved by the Compensation Committee and communicated to the employee. As described under Compensation Discussion and Analysis Our Executive Compensation Components Performance-Based Compensation Equity Compensation above, in 2013 the threshold level was exceeded for the Adjusted EBITDA metric, but the target was missed, resulting in 94.5% of the shares controlled by Adjusted EBITDA vesting and the threshold and target levels for the Adjusted EBITDA Margin metric were exceeded, resulting in 125% of the shares controlled by Adjusted EBITDA Margin vesting. Cumulatively, this resulted in an additional 9.75% of the units above the target level vesting for 2013. With reference to the first tranche of the 2013 award, this resulted in an additional 2,055 units for Mr. Kneeland, 302 units for Messrs. Plummer and Flannery, 192 units for Mr. Gottsegen and 243 units for Mr. Asplund vesting in 2013; with reference to the second tranche of the 2012 award, this resulted in an additional 788 units for Mr. Kneeland, 236 units for Messrs. Plummer and Flannery, 185 units for Mr. Gottsegen and 264 units for Mr. Asplund vesting in 2013; with reference to the third tranche of the 2011 award, this resulted in an additional 929 units for Mr. Kneeland, 280 units for Mr. Plummer, 220 units for Mr. Flannery, 198 units for Mr. Gottsegen and 244 units for Mr. Asplund vesting in 2013. Since the Compensation Committee does not establish performance metrics until after the beginning of each fiscal year, the units subject to performance vesting in years 2014 and 2015 have not been expensed and are therefore not included in the table above.

Many of the components of the compensation for the NEOs are based on their employment agreements with us. The following discussion explains the material terms of the employment agreements and also explains other compensation components not included in such agreements. The rights of the NEOs to receive certain benefits upon termination of employment or a change in control of the Company are described below under Benefits Upon Termination of Employment and Benefits Upon a Change in Control, respectively.

Mr. Kneeland

Base Salary. Mr. Kneeland's base salary was increased to \$950,000, effective October 22, 2012. Mr. Kneeland's base salary was not adjusted again in 2012 or 2013.

2013 Annual Incentive Compensation Plan. Mr. Kneeland is eligible to participate in the plan each year and, in 2013, as required by his employment agreement, Mr. Kneeland's target annual incentive award was 125% of base salary and his maximum incentive was 150% of base salary. The maximum incentive pool for participants in the AICP established by the Committee was 0.3% of Adjusted EBITDA, subject to the limits included in Mr. Kneeland's employment agreement and the Committee's exercise of discretion to reduce the amount of Mr. Kneeland's incentive payment. For 2013, Mr. Kneeland received a performance-based annual cash incentive award in the amount of \$1,136,556.

Restricted Stock Units. The Committee granted Mr. Kneeland 30,913 time-based RSUs and 63,222 performance-based RSUs, which included a one-time grant of 27,892 performance-based RSUs, on March 7, 2013, in recognition of achievements in 2012. The terms of this grant are described in Compensation Discussion and Analysis Our Executive Compensation Components Performance-Based Compensation Equity Awards.

Stock Options. Mr. Kneeland was granted a stock option to purchase 48,345 shares of the Company's common stock on March 7, 2013. The terms of this grant are described in Compensation Discussion and Analysis Our Executive Compensation Components Performance-Based Compensation Equity Awards.

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Mr. Plummer

Base Salary. Mr. Plummer's annual base salary was \$510,000 through March 31, 2013 and was raised to \$527,850 effective April 1, 2013.

2013 Annual Incentive Compensation Plan. Mr. Plummer is eligible to participate in the plan each year and, in 2013, as required by his employment agreement, Mr. Plummer's target annual incentive award was 90% of base salary and his maximum incentive was 125% of base salary. The maximum incentive pool for participants in the AICP established by the Committee was 0.3% of Adjusted EBITDA, subject to the limits included in Mr. Plummer's employment agreement and the Committee's exercise of discretion to reduce the amount of Mr. Plummer's incentive payment. For 2013, Mr. Plummer received a performance-based annual cash incentive award in the amount of \$454,680.

Restricted Stock Units. The Committee granted Mr. Plummer 9,995 time-based RSUs, which included a one-time grant of 1,860 time-based RSUs in recognition of achievements in 2012, and 9,298 performance-based RSUs on March 7, 2013. The terms of this grant are described in Compensation Discussion and Analysis Our Executive Compensation Components Performance-Based Compensation Equity Awards.

Stock Options. Mr. Plummer was granted a stock option to purchase 12,722 shares of the Company's common stock on March 7, 2013. The terms of this grant are described in Compensation Discussion and Analysis Our Executive Compensation Components Performance-Based Compensation Equity Awards.

Mr. Flannery

Base Salary. Mr. Flannery's annual base salary was \$500,000 through March 31, 2013 and was raised to \$518,500 effective April 1, 2013.

2013 Annual Incentive Compensation Plan. Mr. Flannery is eligible to participate in the plan each year and, in 2013, as required by his employment agreement, Mr. Flannery's target annual incentive award was 90% of base salary and his maximum incentive was 135% of base salary. The maximum incentive pool for participants in the AICP established by the Committee was 0.3% of Adjusted EBITDA, subject to the limits included in Mr. Flannery's employment agreement and the Committee's exercise of discretion to reduce the amount of Mr. Flannery's incentive payment. For 2013, Mr. Flannery received a performance-based annual cash incentive award in the amount of \$446,626.

Restricted Stock Units. The Committee granted Mr. Flannery 9,995 time-based RSUs, which included a one-time grant of 1,860 time-based RSUs in recognition of achievements in 2012, and 9,298 performance-based RSUs on March 7, 2013. The terms of this grant are described in Compensation Discussion and Analysis Our Executive Compensation Components Performance-Based Compensation Equity Awards.

Stock Options. The Committee granted to Mr. Flannery a stock option to purchase 12,722 shares of the Company's common stock on March 7, 2013. The terms of this grant are described in Compensation Discussion and Analysis Our Executive Compensation Components Performance-Based Compensation Equity Awards.

Mr. Gottsegen

Base Salary. Mr. Gottsegen's annual base salary was \$375,000 through March 31, 2013 and was raised to \$400,000 effective April 1, 2013.

Annual Cash Incentive. Mr. Gottsegen received a bonus payment of \$312,640 for 2013. The calculation of this payment is described in Compensation Discussion and Analysis Our Executive Compensation Components Performance-Based Compensation.

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Restricted Stock Units. The Committee granted Mr. Gottsegen 2,915 time-based RSUs and 5,918 performance-based RSUs on March 7, 2013. The terms of this grant are described in Compensation Discussion and Analysis Our Executive Compensation Components Performance-Based Compensation Equity Awards.

Mr. Asplund

Base Salary. Mr. Asplund's annual base salary was \$425,000 through March 31, 2013 and was raised to \$441,500 effective April 1, 2013.

Annual Cash Incentive. Mr. Asplund received a bonus payment of \$400,000 for 2013. The calculation of this payment is described in Compensation Discussion and Analysis Our Executive Compensation Components Performance-Based Compensation.

Restricted Stock Units. The Committee granted Mr. Asplund 3,682 time-based RSUs and 7,475 performance-based RSUs on March 7, 2013. The terms of these grants are described in Compensation Discussion and Analysis Our Executive Compensation Components Performance-Based Compensation Equity Awards.

Benefits

The employment agreements of the NEOs generally provide that they are entitled to participate in, to the extent otherwise eligible under the terms thereof, the benefit plans and programs, and receive the benefits and perquisites, generally provided by us to our executives, including family medical insurance (subject to applicable employee contributions).

Indemnification

We have entered into indemnification agreements with Messrs. Kneeland, Plummer, Flannery, Gottsegen and Asplund. Each of these agreements provides, among other things, for us to indemnify and advance expenses to each such officer against certain specified claims and liabilities that may arise in connection with such officer's services to the Company.

Restrictive Covenants in Employment Agreements

The employment agreements of the NEOs generally provide that, during the period of employment, the executive shall not engage in any activity which would conflict with the executive's duties