

SOURCE CAPITAL INC /DE/  
Form 40-17G  
May 03, 2013

**POLICYHOLDER NOTICE**

Thank you for purchasing insurance from the Chartis companies. Chartis insurance companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by Chartis insurance companies to brokers and independent agents in the United States by visiting our website at [www.chartisinsurance.com/producercompensation](http://www.chartisinsurance.com/producercompensation) or by calling 1-800-706-3102.

91222 (12/09)

---

**INVESTMENT COMPANY BLANKET BOND**

**NATIONAL UNION FIRE INSURANCE COMPANY  
OF PITTSBURGH, PA**

(A stock Insurance Company, herein Called the Underwriter)

DECLARATIONS

Item 1. Name of Insured                      Source Capital, Inc.    BOND NUMBER  
Principal Address                      11400 West Olympic Blvd., Ste 1200    5618242  
Los Angeles, CA 90064

(Herein called the Insured)

Item 2. Bond Period from 12:01 a.m. on 08/23/2012 to 12:01 a.m. on 08/23/2013

The effective date of the termination or cancellation of this bond, standard time at the Principal Address as to each of the said dates.

Item 3. Limits of Liability  
Subject to Section 9, 10, and 12 hereof:

		Limit of Liability	Deductible Amount
Insuring Agreement A	FIDELITY	\$ 9,000,000	\$ 0
Insuring Agreement B	AUDIT EXPENSE	\$ 25,000	\$ 5,000
Insuring Agreement C	ON PREMISES	\$ 9,000,000	\$ 50,000
Insuring Agreement D	IN TRANSIT	\$ 9,000,000	\$ 50,000
Insuring Agreement E	FORGERY OR ALTERATION	\$ 9,000,000	\$ 50,000
Insuring Agreement F	SECURITIES	\$ 9,000,000	\$ 50,000
Insuring Agreement G	COUNTERFEIT CURRENCY	\$ 9,000,000	\$ 50,000
Insuring Agreement H	STOP PAYMENT	\$ 25,000	\$ 5,000
Insuring Agreement I	UNCOLLECTIBLE ITEMS OF DEPOSIT	\$ 25,000	\$ 5,000

OPTIONAL COVERAGES ADDED BY RIDER:

Insuring Agreement J	COMPUTER SYSTEMS	\$ 9,000,000	\$ 50,000
Insuring Agreement K	UNAUTHORIZED SIGNATURES	\$ 25,000	\$ 5,000
Insuring Agreement L	AUTOMATED PHONE SYSTEMS	Not Covered	Not Covered
Insuring Agreement M	TELEFACSIMILE	\$ 9,000,000	\$ 50,000

If Not Covered is inserted above opposite any specified Insuring Agreement or Coverage, such Insuring Agreement or Coverage and any other reference thereto in this bond shall be deemed to be deleted there from.

Edgar Filing: SOURCE CAPITAL INC /DE/ - Form 40-17G

Item 4. Office or Premises Covered Offices acquired or established subsequent to the effective date of this bond are covered according to the terms of General Agreement A. All other Insured s offices or premises in existence at the time this bond becomes effective are covered under this bond except the offices or premises located as follows:

**No Exceptions**

Item 5. The Liability of the Underwriter is subject to the terms of the following riders attached hereto:

**103012 (10/09), 103003 (10/09), 89644 (7/05), 103004 (10/09), 103005 (10/09), 103011 (10/09), 91222 (12/09), SR5538, 41206 (9/84), 100107 (09/08), Riders 2-4**

Item 6. The Insured by the acceptance of this bond gives notice to the Underwriter terminating or cancelling prior bond(s) or policy(ies) No.(s) N/A such termination or cancellation to be effective as of the time of this bond becomes effective.

Item 7. Premium Amount: \$30,868.00

FHFC Florida Hurricane Fund: N/A

Total Premium: \$30,868.00

Issue Date: 10/02/2012

By:  
Authorized Signature

---

**NATIONAL UNION FIRE INSURANCE COMPANY  
OF PITTSBURGH, PA**

**RIDER No. 1**

To be attached to and form part of Bond No 5618242.

in favor of Source Capital, Inc.

effective as of 08/23/2012.

In consideration of the premium charged for the attached bond, it is hereby agreed that:

1. From and after the time this rider becomes effective the Insured under the attached bond are:

Source Capital, Inc.

FPA Capital Fund, Inc.

FPA New Income, Inc.

FPA Paramount Fund, Inc.

FPA Perennial Fund, Inc.

FPA Crescent Fund

FPA International Value Fund

2. The first named Insured shall act for itself and for each and all of the Insured for all the purposes of the attached bond.

3. Knowledge possessed or discovery made by the Corporate Risk Management Department, Internal Audit Department, or General Counsel Department, of any Insured or by any partner or officer thereof shall for all the purposes of the attached bond constitute knowledge or discovery by all the Insured.

4. If, prior to the termination of the attached bond in its entirety, the attached bond is terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered before the time such termination as to such Insured becomes effective.

5. The liability of the Underwriter for loss or losses sustained by any or all of the Insured shall not exceed the amount for which the Underwriter would be liable had all such loss or losses been sustained by any one of the Insured. Payment by the Underwriter to the first named Insured of loss sustained by any Insured shall fully release the Underwriter on account of such loss.

SR 5538

---

6. If the first named Insured ceases for any reason to be covered under the attached bond, then the Insured next named shall thereafter be considered as the first named Insured for all the purposes of the attached bond.

7. The attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified.

8. This rider shall become effective as 12:01 a.m. on 08/23/2012.

Signed, Sealed and dated

By:  
Authorized Representative

---

This endorsement, effective at 12:01 A.M 08/23/2012 forms a part of

Policy number 5618242

Issued to: Source Capital, Inc.

By: National Union Fire Ins of Pittsburgh

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

**COVERAGE TERRITORY ENDORSEMENT**

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanctions laws of regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ( OFAC )

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**© American International Group, Inc. All rights reserved**

By:  
Authorized Representative

89644 (7/05)

---

**NATIONAL UNION FIRE INSURANCE COMPANY  
OF PITTSBURGH, PA**

**INSURING AGREEMENT J Computer Systems**

To be attached to and form part of Bond No. 5618242.

in favor of Source Capital, Inc.

It is agreed that:

1. The attached bond is amended by adding an additional insuring agreement as follows:

**COMPUTER SYSTEMS**

Loss resulting directly from a fraudulent

- (1) Entry of data into, or
- (2) Change of data or programs within

a Computer System; provided the fraudulent entry or change causes

- (a) Property to be transferred paid or delivered,
- (b) an account of the Insured, or of its customer, to be added, deleted, debited or credited;
- (c) an unauthorized account of a fictitious account to be debited or credited;



(3) Voice instructions or advices having been transmitted to the Insured or its agent(s) by telephone;

and provided further, the fraudulent entry or change is made or caused by an individual acting with the intent to:

- (i) cause the Insured or its agent(s) to sustain a loss, and
- (ii) obtain financial benefit for that individual or for other persons intended by that individual to receive financial benefit,
- (iii) and further provided such voice instruction or advices:
  - (a) were made by a person who purported to represent an individual authorized to make such voice instruction or advices; and
  - (b) were electronically recorded by the Insured or its agent(s).

(4) It shall be a condition to recovery under the Computer Systems Rider that the Insured or its agent(s) shall to the best of their ability electronically record all voice instructions or advices received over telephone. The Insured or its agent(s) warrant that they shall make their best efforts to maintain the electronic recording system on a continuous basis. Nothing, however, in this Rider shall bar the Insured from recovery where no recording is available because of mechanical failure of the device used in making such recording, or because of failure of the media used to record conversation from any cause, or error or omission of any Employee(s) or agent(s) of the Insured.

103003 (10/09)

SCHEDULE OF SYSTEMS

All computer systems utilized by the Insured.

2. As used in this Rider, Computer System means:

- (a) computers with related peripheral components, including storage components, wherever located,
- (b) systems and application software,
- (c) terminal devices,
- (d) related communication networks or customer communication systems, and
- (e) related Electronic Funds Transfer Systems,

by which data are electronically collected, transmitted, processed, stored, and retrieved.

3. In addition to the exclusions in the attached bond, the following exclusions are applicable to this Insuring Agreement:

- (a) loss resulting directly or indirectly from the theft of confidential information, material or data; and
- (b) loss resulting directly or indirectly from entries or changes made by an individual authorized to have access to a Computer System who acts in good faith on instructions, unless such instructions are given to that individual by a software contractor (or by a partner, officer or employee thereof) authorized by the Insured to design, develop, prepare, supply service, write or implement programs for the Insured's Computer System.

4. The following portions of the attached bond are not applicable to this Rider:

- (a) the initial paragraph of the bond preceding the Insuring Agreements which reads "...at any time but discovered during the Bond Period.
- (b) Section 9-NON-REDUCTION AND NON-ACCUMULATION OF LIABILITY AND TOTAL LIABILITY
- (c) Section 10-LIMIT OF LIABILITY

5. The Coverage afforded by this rider applies only to loss discovered by the Insured during the period this Rider is in force.

6. All loss or series of losses involving the fraudulent activity of one individual, or involving fraudulent activity in which one individual is implicated, whether or not that individual is specifically identified, shall be treated as one loss. A Series of losses involving unidentified individuals but arising from the same method of operation may be deemed by the Underwriter to involve the same individual and in that event shall be treated as one loss.

7. The Limit of Liability for the coverage provided by this Rider shall be (\$9,000,000), it being understood however, that such liability shall be part of and not in addition to the Limit of Liability stated in Item 3 of the Declarations of the attached bond.

8. The Underwriter shall be liable hereunder for the amount by which one loss shall be in excess of \$50,000, (herein called the Deductible amount) but not in excess of the Limit of Liability stated above.

9. If any loss is covered under this Insuring Agreement and any other Insuring Agreement or Coverage, the maximum amount payable for such loss

shall not exceed the largest amount available under any one Insuring Agreement or Coverage.

10. Coverage under this Rider shall terminate upon termination or cancellation of the bond to which this Rider is attached. Coverage under this rider may also be terminated or cancelled without cancelling the bond as an entirety:

- (a) 60 days after receipt by the Insured of written notice from the Underwriter of its desire to terminate or cancel coverage under this Rider, or
- (b) Immediately upon receipt by the Underwriter of a written request from the Insured to terminate or cancel coverage under this Rider.

The Underwriter shall refund to the Insured the unearned premium for this coverage under this Rider. The refund shall be computed at short rates if this Rider is terminated or cancelled or reduced by notice from, or at the instance of, the Insured.

11. Section 4-LOSS-NOTICE-PROOF-LEGAL PROCEEDING of the Conditions and Limitations of this bond is amended by adding the following sentence:

Proof of Loss resulting from Voice Instructions or advices covered under this bond shall include Electronic Recording of such Voice Instructions or advices.

12. Notwithstanding the foregoing, however, coverage afforded by this Rider is not designed to provide protection against loss covered under a separate Electronic and Computer Crime Policy by whatever title assigned or by whatever Underwriter written. Any loss which is covered under such separate Policy is excluded from coverage under this bond; and the Insured agrees to make claim for such loss under its separate Policy.

13. Nothing herein contained shall be held to vary, alter, waiver or extend any of the terms, limitations, conditions or agreements of the attached bond other than as above stated.

14. This rider shall become effective at 12:01 a.m. Standard time on 08/23/2012.

By:



**NATIONAL UNION FIRE INSURANCE COMPANY  
OF PITTSBURGH, PA**

**INSURING AGREEMENT K**

To be attached to and form a part of Investment Company Blanket Bond No. 5618242

in favor of Source Capital, Inc..

It is agreed that:

- (1) The attached bond is amended by adding an additional Insuring Agreement as follows:

**UNAUTHORIZED SIGNATURES**

Loss resulting directly from the insured having accepted, paid or cashed any check or withdrawal order, draft, made or drawn on a customer's account which bears the signature or endorsement of one other than a person whose name and signature is on the application on file with the Insured as a signatory on such account.

- (2) It shall be a condition precedent to the Insured's right of recovery under this rider that the Insured shall have on file signatures all persons who are authorized signatories on such account.

- (3) The Single Loss Limit of Liability for the coverage provided by this rider shall be \$25,000, it being understood, however, that such liability shall be part of, and not in addition to, the Aggregate Limit of Liability stated in item 3. of the Declarations of the attached bond.

- (4) The Underwriter shall not be liable under the Unauthorized Signatures Rider for any loss on account of any instrument unless the amount of such instrument shall be excess of \$5,000, (herein called Deductible Amount), and unless such loss on account of such instrument, after deducting all recoveries on account of such instrument made prior to the payment of such loss by the Underwriter, shall be in excess of such Deductible Amount and then for such excess only, but in no event more than the amount of the attached bond, or the amount of coverage under the Unauthorized Signatures Rider, if the amount of such coverage is less than the amount of the attached bond.

(5) Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, limitations, conditions, or provisions of the attached bond other than as above stated.

(6) The rider is effective as of 12:01 a.m. standard time on 08/23/2012 as specified in the bond.

By:  
Authorized Representative

103004 (10/09)

---

**NATIONAL UNION FIRE INSURANCE COMPANY  
OF PITTSBURGH, PA**

**INSURING AGREEMENT M**

**TELEFACSIMILE TRANSMISSIONS**

To be attached to and form part of Investment Company Blanket Bond No 5618242. issued to Source Capital, Inc..

It is agreed that:

1. The attached bond is amended by adding an additional Insuring Agreement as follows:

Loss resulting by reason of the Insured having transferred, paid or delivered any funds or Property, established any credit, debited any account, or given any value relying on any fraudulent instructions sent by a customer or financial institution by Telefacsimile Transmission directed to the Insured, authorizing or acknowledging the transfer, payment, or delivery of funds or property, the establishment of a credit, debiting of any account, or the giving of value by the Insured, but only if such telefacsimile instructions:

- i) bear a valid test key exchanged between the Insured and a customer or another financial institution with authority to use such test key for Telefacsimile instructions in the ordinary course of business, but which test key has been wrongfully obtained by a person who was not authorized to initiate, make, validate or authenticate a test key arrangement; and

- ii) fraudulently purport to have been sent by such customer or financial institution, but which telefacsimile instruction were transmitted without the knowledge or consent of such customer or financial institution by a person other than such customer or financial institution and which bear a forged signature.

Telefacsimile means a system of transmitting written documents by electronic signals over telephone lines to equipment maintained by the Insured within its communication room for the purposes of reproducing a copy of said document. It does not mean electronic communication sent by Telex, TWC, or electronic mail, or Automated Clearing House.

2. The limit of Liability for the coverage provided by this rider shall be (9,000,000), it being understood, however, that such liability shall be part of and not in addition to the limit of liability stated in Item 3 of the Declaration of the attached bond.



3. The Underwriter shall be liable hereunder for the amount by which a Single Loss exceeds the Deductible Amount of \$50,000, but not in excess of the Single Limit of Liability stated above.

4. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, limitations conditions or agreements of the attached bond other than as above stated.

5. This rider is effective as of 12:01 a.m. on 08/23/2012, standard time as specified in the attached bond.

By:  
Authorized Representative

103005 (10/09)

---

**NATIONAL UNION FIRE INSURANCE COMPANY**

**OF PITTSBURGH, PA**

**OMNIBUS WORDING**

This endorsement, effective 12:01 a.m. 08/23/2012 forms a part of policy number 5618242

issued to Source Capital, Inc.,

It is agreed that:

1. If the Insured shall, while this bond is in force, establish any new funds other than by consolidation or merger with, purchase or acquisition of assets or liabilities of, another institution, such funds shall automatically be covered hereunder from the date of such establishment without the payment of additional premium for the remainder of the premium period.
  
2. If the Insured shall, while this bond is in force, require an increase in limits to comply with SEC Reg. 17g-1, due to an increase in asset size of current funds insured under the bond or by the addition of new funds, the Insured shall notify the Underwriter of such required increase in limits within 30 days of such increase in asset size and the Insured shall be entitled to receive from the Underwriter within 15 days of the Underwriter's receipt of such notice an offer for coverage hereunder for such increase in limits from the date of such increase in assets. Such coverage for increase in asset size shall be conditioned upon the Insured paying the Underwriter the required additional premium for such increase in limits, which additional premium shall be in amount determined in the sole and absolute discretion of the Underwriter.
  
3. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, limitations conditions or agreements of the attached bond other than as above stated.

By:  
Authorized Representative



**NATIONAL UNION FIRE INSURANCE COMPANY  
OF PITTSBURGH, PA**

**AMENDMENT TO TERMINATION**

To be attached to and form part of Investment Company Blanket Bond No. 5618242. in favor of Source Capital, Inc..

It is agreed that:

1. The attached bond is hereby amended by deleting Section 13. TERMINATION in its entirety and replacing it with the following:

**SECTION 13. TERMINATION**

The Underwriter may terminate this bond as an entirety by furnishing written notice specifying the termination date which cannot be prior to 90 days after the receipt of such written notice by each Investment Company named as Insured and the Securities and Exchange Commission, Washington, D.C. The Insured may terminate this bond as an entirety by furnishing written notice to the Underwriter. When the Insured cancels, the Insured shall furnish written notice to the Securities and Exchange Commission, Washington, D.C. prior to 90 days before the effective date of the termination. The Underwriter shall notify all other Investment Companies named as Insured of the receipt of such termination notice and the termination cannot be effective prior to 90 days after receipt of written notice by all other Investment Companies. Premiums are earned until the termination date as set forth herein.

This Bond will terminate as to any one Insured (other than a registered management investment company) immediately upon taking over of such Insured by a receiver or other liquidator or by State or Federal officials, or immediately upon the filing of a petition under any State or Federal statute relative to bankruptcy or reorganization of the Insured, or assignment for the benefit of creditors of the Insured, or immediately upon such Insured ceasing to exist, whether through merger into another entity, or by disposition of all of its assets.

This Bond will terminate as to any registered management investment company upon the expiration of 90 days after written notice has been given to the Securities and Exchange Commission, Washington, D.C.

The Underwriter shall refund the unearned premium computed at short rates in accordance with the standard short rate cancellation tables if terminated by the Insured or pro rata terminated for any other reason.

This bond shall terminate

a. as to any Employee as soon as any partner, officer or supervisory Employee of the Insured, who is not in collusion with such Employee, shall learn of any dishonest or fraudulent act(s), including Larceny or Embezzlement on the part of such Employee without prejudice to the loss of any Property then in transit in the custody of such Employee and upon the expiration of ninety (90) days after written notice has been given to the Securities and Exchange Commission, Washington, D.C. (See Section 16(d)) and to the Insured Investment Company, or

103012 (10/09)

b. Board Compensation

For 2008, our Directors who were not also employees or appointees of the Sponsors each were eligible to receive a \$125,000 annual retainer fee, of which \$45,000 is payable in cash and \$80,000 is payable in the form of restricted stock units and is subject to the terms and conditions of the RSC Holdings Inc. Amended and Restated Stock Incentive Plan and the applicable Director Restricted Stock Unit Agreement. The number of restricted stock units granted to an independent Director each year is the quotient obtained by dividing (i) \$80,000 by (ii) the closing market price of a share of our common stock on the date of grant as reported on the NYSE. For the avoidance of doubt, only whole shares up to \$80,000, or the applicable prorated amount, are granted with any nominal cash remaining with us.

**Table of Contents**

The chairman of the Audit Committee was paid an additional annual cash fee of \$15,000 and upon the appointment of an independent chairman of the Compensation Committee an additional annual cash fee of \$7,500 will be paid. We also reimburse our Directors for reasonable and necessary expenses incurred in the performance of their duties.

During 2008, our Directors received the following remuneration:

**2008 Director Compensation Table**

Name	Fees Earned or Paid in Cash \$(1)	Stock Awards \$(2)	Total (\$)
Denis J. Nayden			
Timothy Collins			
Edward Dardani			
Douglas Kaden			
Pierre E. Leroy	\$ 27,986	\$ 49,753	\$ 77,739
Christopher Minnetian			
John R. Monsky			
Erik Olsson(3)			
James H. Ozanne	\$ 60,000	\$ 79,992	\$ 139,992
Donald C. Roof	\$ 45,000	\$ 79,992	\$ 124,992
Scott Spielvogel			
Donald Wagner			

- (1) Represents the annual cash retainer payable to all non-employee independent Directors in the amount of \$45,000, pro-rated for the period of time such Director served on the Board in 2008. In addition, Mr. Ozanne was paid an additional \$15,000 for his service as chairman of the Audit Committee.
- (2) Represents the fair value of restricted stock units based on \$80,000, issued to all non-employee independent Directors, pro-rated for the period of time such Director served on the Board in 2008, which is recognized as a compensation expense in our financial statements for 2008. The grant date fair value for each share of restricted stock unit was the closing price of our common stock on the date of grant as reported on the NYSE which, for Messrs. Ozanne and Roof was \$12.00, and for Mr. Leroy was \$10.65. Restricted stock units vest fully at the end of each fiscal year served, yet may not be converted until six months following the cessation of service as a Director. As of December 31, 2008, Mr. Ozanne held 8,928 restricted stock units, Mr. Roof held 8,404 restricted stock units, and Mr. Leroy held 4,671 restricted stock units.
- (3) Mr. Olsson receives no compensation in connection with his services as a Director, but he is compensated in connection with his responsibilities as Chief Executive Officer and President as fully described herein.

Commencing in 2009, Directors who are not also employees or appointees of the Sponsors each will receive a \$175,000 annual retainer fee, of which \$60,000 is payable in cash and \$115,000 is payable in the form of restricted stock units and is subject to the terms and conditions of the RSC Holdings Inc. Amended and Restated Stock Incentive Plan and the applicable Director Restricted Stock Unit Agreement. The number of restricted stock units granted to an independent Director each year is the quotient obtained by dividing (i) \$115,000 by (ii) the closing market price of a share of our common stock on the date of grant as reported on the NYSE. For the avoidance of doubt, only whole shares up to \$115,000, or the applicable prorated amount, are granted with any nominal cash remaining with us.

Members of the Audit Committee will be paid an additional annual cash fee of \$15,000 and the chairman of the Audit Committee is paid an additional annual cash fee of \$25,000, inclusive of the Audit Committee member fee.

Independent members of Compensation Committee will be paid an additional annual cash fee of \$5,000 and upon the appointment of an independent chairman of the Compensation Committee an additional annual cash fee of \$7,500, inclusive of the Compensation Committee member fee, will be paid. We also reimburse our Directors for reasonable and necessary expenses incurred in the performance of their duties.



**Table of Contents**

**Compensation Committee Interlocks and Insider Participation**

During 2008, Messrs. Dardani and Wagner served on our Compensation Committee. No member of the Compensation Committee is an officer or employee of RSC Holdings. Mr. Dardani is a Partner at Oak Hill and Mr. Wagner is a Senior Managing Director at Ripplewood. For information regarding relationships among RSC Holdings and Ripplewood and Oak Hill and related entities, see *Certain Relationships and Related Party Transactions*.

During 2008, none of our executive officers served as a member of a compensation committee (or other body performing a similar role) of another entity, any of whose executive officers served on our Compensation Committee and none of our executive officers served as a director of another entity, any of whose executive officers served on our Board of Directors or Compensation Committee.

**ARTICLE IV. AUDIT COMMITTEE REPORT\***

The Audit Committee has reviewed and discussed with management and KPMG LLP, the independent registered public accounting firm, the audited financial statements of RSC Holdings Inc. for the year ended December 31, 2008.

The Audit Committee has discussed with KPMG LLP the matters required to be discussed by Statement on Auditing Standards No. 61, as amended.

The Audit Committee has: (i) considered whether non-audit services provided by KPMG LLP are compatible with its independence; (ii) received the written disclosures and the letter from KPMG LLP as required by the applicable requirements of the Public Company Accounting Oversight Board regarding KPMG LLP's communications with the Audit Committee concerning independence, and (iii) discussed with KPMG LLP its independence.

Based on the reviews and discussions described above, the Audit Committee recommended to the Board of Directors of RSC Holdings that the audited financial statements be included in RSC Holdings' Annual Report on Form 10-K for the year ended December 31, 2008, for filing with the Securities and Exchange Commission.

**THE AUDIT COMMITTEE**

James H. Ozanne, Chair  
Pierre E. Leroy  
Donald C. Roof

\* The material in this report is not soliciting material, is not deemed filed with the SEC, and is not to be incorporated by reference into any of our filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing, unless specifically incorporated therein.

**Table of Contents****ARTICLE V. INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM****Independent Registered Public Accounting Firm Fees**

Fees for services performed by KPMG LLP, our independent registered public accounting firm, during 2008 and 2007, were:

	<b>2008</b>	<b>2007</b>
Audit fees(1)	\$ 1,900,000	\$ 1,860,000
Audit-related fees(2)	191,100	0
Tax fees	0	0
All other fees	0	0
<b>Total</b>	<b>\$ 2,091,100</b>	<b>\$ 1,860,000</b>

- (1) Audit fees for 2008 were for services rendered in connection with the audit of the financial statements included in our Annual Report on Form 10-K for 2008 and reviews of the financial statements included in our Quarterly Reports on Form 10-Q. Audit fees for 2007 were for services rendered in connection with the audit of the financial statements included in our Annual Report on Form 10-K for 2007 and Form S-1 for 2006 and reviews of the financial statements included in our Quarterly Reports on Form 10-Q. Audit fees for 2007 also included approximately \$0.3 million of fees for non-recurring services related to filings in connection with the Registration Statement on Form S-1 of RSC Holdings, which related to RSC Holdings' initial public offering, and filings in connection with our Registration Statement on Form S-4, which related to our exchange offer for our outstanding high-yield securities.
- (2) Audit-related fees for 2008 were for services rendered in connection with employee benefit plan audits, a debt covenant compliance review and non-recurring transactional work.

**Pre-approval Procedures**

The Audit Committee has established procedures for the pre-approval of all audit and permitted non-audit related services provided by our independent registered public accounting firm. The procedures include, in part, that: (i) the Audit Committee, on an annual basis, shall pre-approve the independent registered public accounting firm's engagement letter/annual service plan; (ii) the Audit Committee Chair has been delegated the authority to pre-approve any permitted non-audit services up to \$25,000 per individual proposed service; (iii) the Audit Committee must pre-approve any permitted non-audit services that exceed \$25,000 per individual proposed service; and (iv) at each regularly scheduled Audit Committee meeting: (a) the Chairman of the Audit Committee will review any services that were pre-approved since the last Audit Committee meeting; and (b) a review will be conducted of the services performed and fees paid since the last Audit Committee meeting. All fees described above incurred after our IPO in May 2007, were pre-approved by the Audit Committee.

**Table of Contents**

**PROPOSAL TWO**

**RATIFICATION OF APPOINTMENT OF INDEPENDENT  
REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors has appointed KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2009. Services provided by KPMG LLP in 2008, are described under *Independent Registered Public Accounting Firm Fees*. Additional information regarding the Audit Committee is provided in the Audit Committee Report on page 14.

KPMG LLP has audited our financial statements since 2003. Representatives of KPMG LLP will be present at the Annual Meeting of Stockholders to respond to appropriate questions and to make such statements as they may desire.

Stockholder ratification of the selection of KPMG LLP as our independent registered public accounting firm is not required by our By-Laws or otherwise. However, the Board of Directors is submitting the selection of KPMG LLP to the stockholders for ratification as a matter of good corporate governance practice. If our stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of us and our stockholders.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting will be required to ratify the selection of KPMG LLP. Abstentions will be counted toward the tabulation of votes cast on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been ratified.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSAL TWO**

**Table of Contents**

**ARTICLE VI. COMPENSATION COMMITTEE REPORT\***

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and, based on such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the RSC Holdings Inc. Annual Report on Form 10-K for the year ended December 31, 2008, and the 2009 Proxy Statement.

COMPENSATION COMMITTEE

Edward Dardani  
Pierre E. Leroy\*\*  
Donald Wagner

\* The material in this report is not soliciting material, is not deemed filed with the SEC, and is not to be incorporated by reference into any of our filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing, unless specifically incorporated therein.

\*\* Effective January 1, 2009, Pierre E. Leroy became a member of the Compensation Committee.

**ARTICLE VII. EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

***Overview***

This Compensation Discussion and Analysis is intended to provide information regarding the compensation program of RSC Holdings for our named executive officers as it has been designed by our Compensation Committee. Our named executive officers for 2008 include our Chief Executive Officer, Chief Financial Officer, and next three highest compensated executive officers for the year ended December 31, 2008. It will discuss the structure and philosophy of our compensation program. In addition, it will detail the manner in which it was developed and continues to evolve, including the elements involved in the determination of executive compensation, and the reasons we use those elements in our compensation program.

In November 2006, ACAB sold approximately 85% of RSC Holdings to the Sponsors, resulting in the formation of an entirely new Board of Directors and committee structure. As a result, the then newly formed Compensation Committee, which governs our compensation programs, began evaluating our compensation program and instituted certain core elements of our current compensation program, such as an Annual Incentive Plan and an equity-based long-term incentive plan. In connection with our IPO in May 2007, the Compensation Committee reaffirmed the need to continually evaluate the compensation program to ensure its competitiveness and ability to attract and retain executives with the appropriate skill sets to further enhance stockholder value as a public company. The Compensation Committee retained Mercer Human Resources Consulting, or Mercer, as its independent compensation consultant. Throughout 2008, Mercer worked closely with the Compensation Committee and provided recommendations regarding compensation benchmarking, analysis, design, structure, philosophy, and peer group development, to ensure that we have a compensation program, which is both competitive and aligned with the long-term interests of our stockholders. The Compensation Committee then presented to the Board of Directors in

October 2008 the process undertaken and its recommendations, and after additional modifications, the Board of Directors approved the compensation structure for the named executive officers.

*Process*

Our compensation program is structured by our Compensation Committee. The Compensation Committee continually reviews, refines, and approves all elements of our compensation program for our executive officers. Management and its independent compensation consultant assist the Compensation Committee with the alignment

**Table of Contents**

of strategy through benchmarking, plan design, and administration of our compensation program. In addition, our Chief Executive Officer provides the Compensation Committee with his analysis and recommendations on various elements of the compensation program. The Compensation Committee then makes recommendations on our compensation plans and structure to the full Board of Directors for its approval.

***Compensation Philosophy***

Our compensation philosophy is based on our desire to attract, motivate, and retain highly-talented and qualified executives while rewarding the achievement of strategic goals that are aligned with the long-term interest of stockholders. This philosophy supports the need to attract and retain executive talent with specific skill sets, including industry expertise, leadership, team work, long-term strategic vision, a customer-centric focus, and strong results-based orientation. Our compensation philosophy is aligned with our desire for profitable growth in our business and, as a result a significant portion of management's compensation should be at risk through performance-based incentive awards and equity-based compensation. This compensation program supports our results-driven culture, instilling in management the economic incentives of ownership and encouraging executives to focus on stockholder return.

***Compensation Elements***

The four elements of our executive compensation are: (1) annual base salary, (2) annual performance-based incentive, (3) long-term equity incentive compensation, and (4) benefits.

We have designed our programs to measure and reward performance based on short and long-term objectives, including profitable growth, cash flow, and value creation. These elements of compensation, along with overall levels of compensation, are evaluated and may be adjusted every year. In 2008, as part of an overall evaluation process of our compensation program, the Compensation Committee engaged Mercer to assist it in comparing the compensation of our senior executives with: (a) a peer group established by the Compensation Committee with the assistance of Mercer; and (b) the compensation of similarly situated executives from the following surveys: Mercer Human Resource Consulting 2007 Mercer Benchmark Database, Watson/Wyatt 2007/2008 Top Management Compensation Survey, and Clark Consulting 2007 CHiPS Executive and Senior Management Total Compensation Survey. The Compensation Committee also included other considerations, such as business and individual performance, retention, market conditions, and good corporate stewardship in developing our annual compensation program. In 2008, the Compensation Committee engaged Mercer to assist it with establishing an appropriate peer group to provide a benchmark to help evaluate the competitiveness of our compensation program. The peer group is made up of the following companies:

Aaron Rents, Inc.  
Accuride Corporation  
Cintas Corporation  
Dollar Thrifty Automotive Group, Inc.  
Fastenal Company  
GATX Corporation  
H&E Equipment Services, Inc.  
Iron Mountain Incorporated  
Joy Global Inc.  
Paychex, Inc.  
Rent-A-Center, Inc.  
Republic Services, Inc.  
The Brink's Company

The Manitowoc Company  
Trinity Industries, Inc.  
United Rentals, Inc.

Following are each of the four elements of our compensation program discussed in greater detail:

**1. Annual Base Salary**

Base salary is an essential element to attract, motivate, and retain highly talented and qualified executives and to compensate them for services rendered. The base salaries earned by our named executive officers are set forth in the *Summary Compensation Table* . Based upon the 2008 Mercer study, the Board adjusted base salaries to market effective January 1, 2009. However, on February 27, 2009, in connection with the downturn in the economy and our focus to significantly reduce costs, the named executive officers agreed to reduce their base salary in 2009, Mr. Olsson by 20% for the full year, and the remaining named executive officers by 10% commencing on March 2,

**Table of Contents**

2009, for the remainder of 2009, see *Employment Agreements* for additional information. The following chart illustrates the culmination of the multi-year analysis by the Compensation Committee as it pertains to base salary, and the recent reduction in base salary by our named executive officers:

Name	Annualized Effective Base Salary				
	12/31/2006	12/31/2007	12/31/2008	1/1/2009	3/2/2009
Mr. Olsson	\$ 550,000	\$ 550,000	\$ 550,000	\$ 750,000	\$ 600,000(1)
Mr. Mathieson			400,000	400,000	360,000
Mr. Ledlow	260,000	260,000	260,000	375,000	337,500
Mr. Groman	275,000	275,000	275,000	350,000	315,000
Mr. Hobson	167,960	235,000	235,000	300,000	270,000

(1) Mr. Olsson's base salary adjustment is retroactive to January 1, 2009. The reduction for all other named executive officers commenced March 2, 2009, for the remainder of 2009.

**2. Annual Performance-Based Incentive**

Our annual performance-based incentive also plays an important role in attracting, motivating, and retaining our highly talented and qualified executives. In addition, our annual performance incentive is intended to align individual efforts with our long-term strategic goals, and driving value for our stockholders. To achieve these goals the Board approved our Annual Incentive Plan in 2007, whereby the Compensation Committee carefully selects performance targets and criteria each year, which are aligned with stockholder interests and hold our executives accountable for profitable and responsible growth. In accordance with the SEC's rules, what we refer to herein as the annual incentive is reported in the *Summary Compensation Table* under the column *Non-Equity Incentive Plan Compensation*.

**2008 Fiscal Year**

For 2008, the Compensation Committee established the annual performance-based incentive criteria to be an EBITDA target of \$856.7 million, a net capital expenditure target of \$218.9 million, and individual performance measures. EBITDA was defined as consolidated net income before net interest expense, income taxes, and depreciation and amortization. Net capital expenditures was defined as the purchase of rental equipment and purchase of property and equipment (including property and equipment acquired under capitalized lease obligations), less proceeds from sales of rental equipment and proceeds from sale of property and equipment. The Compensation Committee established a minimum performance EBITDA threshold of \$830 million, which had to be achieved before there was any payout under either the net capital expenditures goal or specific performance objectives.

The Compensation Committee established the following weightings and threshold, target, and maximum payout amounts for the performance goals. Payout amounts are based upon the actual eligible base salary of the executive officer for 2008. For each performance goal: Payout = Base Salary x (Weighting x Percentage Achievement).

Performance Goals	Weighting	Achievement (%)		Maximum(1)
		Threshold	Target	
EBITDA	50	37.5	75	150/200
Net capital expenditures	35	37.5	75	150/200



Specific performance objectives	15	37.5	75	150/200
---------------------------------	----	------	----	---------

- (1) The maximum achievement for our Chief Executive Officer is 200%. The maximum achievement for all other named executive officers is 150%.

The Compensation Committee determined that since the minimum performance EBITDA threshold of \$830 million was not met for 2008 the named executive officers were not eligible to receive any annual incentive payment for 2008 under the Annual Incentive Plan. Under our Annual Incentive Plan, the Compensation Committee

**Table of Contents**

of the Board of Directors has the authority, in its discretion, to increase or reduce the actual annual incentive paid to our named executive officers. The Compensation Committee may take into account any factors it considers appropriate, including our overall performance and an individual's contribution to that performance.

The Compensation Committee did award a standalone discretionary cash award to the named executive officers for their performance in 2008. The Compensation Committee granted the following discretionary cash awards, based on a percentage of the target award for the named executive officer, for their exceptional performance during a tumultuous 2008, including taking on significant additional responsibilities, outperforming the industry, management of capital expenditures, and performance for specific performance objectives.

<b>Named Executive Officer</b>	<b>2008 Target Amount (%)</b>	<b>2008 Variable Incentive Payment</b>
Mr. Olsson	50	\$ 206,250
Mr. Mathieson	25	72,981
Mr. Ledlow	50	97,500
Mr. Groman	50	103,125
Mr. Hobson	50	88,125

***2009 Fiscal Year***

For 2009, the Compensation Committee again established the annual performance based incentive criteria to be EBITDA, net capital expenditures, and individual performance measures related to cost reduction and control. EBITDA is defined as consolidated net income before net interest expense, income taxes, and depreciation and amortization. Net capital expenditures is defined as the purchase of rental equipment and purchase of property and equipment (including property and equipment acquired under capitalized lease obligations), less proceeds from sales of rental equipment and proceeds from sale of property and equipment. However, due to the economic instability and uncertainty foreseen for 2009, our Compensation Committee determined that it is in the best interest of our stockholders to divide the targets for the annual performance based incentive criteria into two separate six month measurement periods. Specific targets for each of the performance goals were set by the Compensation Committee for the first six months of 2009, and will be established for the second six months of 2009 based on best available market and business trend data available at or about the end of the second quarter of 2009. Any incentives earned for the two independent measurement periods will be totaled and paid per usual practice to eligible executives during the first quarter of 2010. The Compensation Committee, in its sole discretion, may modify this two measurement period approach. Further, the Compensation Committee did not establish a minimum EBITDA threshold for 2009.

The performance goals are subject to the following adjustments: (i) any incremental EBITDA impact resulting from acquisitions or extraordinary events during 2009 will be excluded; (ii) any incremental net capital expenditure impact resulting from acquisitions or extraordinary events during 2009 will be excluded; and (iii) specific performance objectives will be determined at the beginning of 2009, and only modified with exceptions, all such discretion of such payout will be at the determination/discretion of the Compensation Committee.

The Compensation Committee established the following weightings and threshold, target, and maximum payout percentages for the performance goals. In connection with the evaluation of the competitiveness of our compensation program by the Compensation Committee, certain of the target bonuses were modified from 2008, including Mr. Olsson, which was increased from 75% to 100%, and Mr. Groman, which was reduced from 75% to 50%. Payout amounts are based upon the actual eligible base salary of the executive officer for the year ending December 31, 2009.

For each performance goal: Payout = Base Salary x (Weighting x Percentage Achievement).

**Table of Contents**

Performance Goals	Weighting	Threshold (1)	Achievement (%)	
			Target (2)	Maximum (3)
EBITDA	50	37.5/50	50/75/100	150/200
Net capital expenditures	35	37.5/50	50/75/100	150/200
Specific performance objective SG&A	7.5	37.5/50	50/75/100	150/200
Specific performance objective Cost of rental	7.5	37.5/50	50/75/100	150/200

(1) The threshold percentage is 37.5% for our named executive officers, except for Mr. Olsson, whose is 50%.

(2) The target bonus for Mr. Groman is 50%, for Messrs. Mathieson, Ledlow and Hobson is 75%, and for Mr. Olsson is at 100%.

(3) The maximum percentage is 150% for our named executive officers, except for Mr. Olsson, whose is 200%.

**3. Long-Term Equity Incentive Compensation**

We provide equity-based compensation to create long-term incentive compensation for our named executive officers. Long-term equity incentive compensation helps to incent the successful execution of our immediate and long-term business plan, to attract and retain key leaders, and to align management with stockholder interests. The program operates through the RSC Holdings Inc. Amended and Restated Stock Incentive Plan, or Stock Plan, which allows for the award of stock options, performance-based awards, stock appreciation rights, restricted stock, restricted stock units, deferred shares, and supplemental units.

As stated herein, the Compensation Committee began undertaking a comprehensive review of our compensation program, and as a result, no annual equity awards were granted to our named executive officers in 2008. In January 2008, in connection with Mr. Mathieson's commencement of employment as our Senior Vice President and Chief Financial Officer, he received an equity award equivalent to \$400,000 of equity determined by the Black-Scholes calculation resulting in stock options for 81,067 shares which have a term of ten years and annual vesting of 25% per year, subject to continued employment. In 2007, Mr. Hobson was promoted to SVP, Corporate Operations. However, due to Mr. Hobson's promotion being prior to the IPO, no options were granted for the promotion at that time. To this end, in February 2008, the Compensation Committee granted Mr. Hobson stock options for 35,000 shares with a 10 year term and annual vesting of 25% per year subject to continued employment.

In 2006, while still a private company, we established an equity investment and incentive program for our named executive officers, excluding Mr. Mathieson, and select other officers. Through this program we sought to instill in our officers a true ownership culture, where they viewed themselves as equity stakeholders in our business, with a significant personal financial stake in the long-term increase in stockholder value. The main elements of this program involved: (a) each officer making an investment in our shares of common stock in an amount that was, for him, a material personal investment; and (b) the grant of a significant number of options to purchase our common stock that are subject to vesting over a five-year period with one-third of the options vesting based on continued employment, and two-thirds of the options vesting based generally on RSC Holdings' performance against pre-established financial targets. All options granted in 2006 have a term of ten years from the date of grant. Each year up to 20% of the performance-based options may vest as follows: 10% of the performance-based options will vest if 80% of the pre-determined performance targets are achieved with prorata vesting up to 20% if 100% of the pre-determined performance targets are achieved. Performance targets may be adjusted if we consummate a significant acquisition,

disposition of assets, or other transaction that, in the judgment of the Compensation Committee, would impact our consolidated earnings. If performance targets are not achieved during any fiscal year, options that failed to vest as a result may still vest based on the achievement of the combined performance targets for the fiscal year the target was not achieved together with the following two fiscal years.

Financial performance targets are established annually by the Compensation Committee of the Board of Directors using a formula taking into account EBITDA and our level of debt. Each year up to 20% of the performance-based options may vest. For 2008, the Compensation Committee established the target goal based on our operating plan for the year. The target equity value of \$2,982.7 million was determined by the following formula: EBITDA of \$856.7 million, multiplied by 6.5, less target debt of \$2,585.9 million. For 2008, we achieved,

**Table of Contents**

as concluded by the Compensation Committee, an actual equity value of \$2,437.4 million, or 81.72% of target which correlates to 10.9% of the eligible named executive officers' performance based options being vested on February 24, 2009.

All option grants were non-qualified options with a per-share exercise price no less than the fair market value of one share of RSC Holdings stock on the grant date. Under the terms of the Stock Plan, the Board of Directors or Compensation Committee may accelerate the vesting of an option at any time. The following table describes the post-termination and change of control provisions to which options are generally subject; capitalized terms in the table are defined in the Stock Plan.

<b>Event</b>	<b>Consequence</b>
<i>Termination of employment for Cause</i>	All options are cancelled immediately.
<i>Termination of employment without Cause (except as a result of death or Disability)</i>	All unvested options are cancelled immediately. All vested options generally remain exercisable through the earliest of the expiration of their term or 90 days following termination of employment (180 days if the termination is due to a retirement that occurs after normal retirement age).
<i>Termination of employment as a result of death or Disability</i>	Unvested time-vesting options become vested, and vested options generally remain exercisable through the earliest of the expiration of their term or 180 days following termination of employment.
<i>Change in Control</i>	In the event of a Change in Control, Section 10.1 of the Stock Plan provides that the vesting of all outstanding options will accelerate in full and such options be cancelled in exchange for a payment unless either (i) the option agreement provides for a different treatment or (ii) options with substantially equivalent terms and intrinsic value are substituted for existing options in place of the cancellation. The current form of option agreement applicable to outstanding options with performance-based vesting contains a provision that modifies the general rule described in the preceding sentence in the event the Change in Control results in the Sponsors receiving only cash for their equity in the Company. In such event, (y) the vesting of the performance-based options will accelerate on a pro rata basis between 50% to 100% accelerated vesting based on the Sponsors achieving specified actual cash return on their investment in the Company depending upon the year in which the Change in Control occurs and (z) unless the Board determines otherwise, any portion of the performance-based options that remain unvested after the application of such vesting acceleration will be cancelled. As the provisions described in the preceding sentence only apply in the event of a Change in Control in which the Sponsors receive only cash for their investment in the Company, in a Change in Control in which the Sponsors receive some non-cash consideration for their investment in us, the general provisions of Section 10.1 of the Stock Plan will apply.

Generally, employees recognize ordinary income upon exercising options equal to the fair market value of the shares acquired on the date of exercise, minus the exercise price, and we will have a corresponding tax deduction at that time.

**4. Benefits**

We provide health and welfare, life and disability insurance, and 401(k) retirement benefits to our named executive officers and all eligible employees. We do not provide pension arrangements or post retirement health coverage for our executives or employees. We also offer a Nonqualified Deferred Compensation Plan that allows our named executive officers and certain other employees to contribute on a pre-tax basis a portion of their base and

**Table of Contents**

variable compensation. We do not provide any matching contributions to the Nonqualified Deferred Compensation Plan.

We believe perquisites for executive officers should be extremely limited in scope and value, yet beneficial in a cost-effective manner to help us attract and retain our senior executives. Accordingly, we provide our Chief Executive Officer and our other named executive officers with an annual limited financial planning allowance of \$5,000 and \$2,500, respectively, via taxable reimbursements for financial planning services, including financial advice, estate planning, and tax preparation, which are focused on assisting officers in achieving the highest value from their compensation package. In addition, our named executive officers also receive an automobile allowance of up to \$14,400 annually. Lastly, we do not provide dwellings for personal use other than for temporary job relocation housing.

***Impact of Tax and Accounting Considerations on Compensation Design***

We consider and factor into the design of our compensation programs the tax and accounting aspects of these programs. Principal among the tax considerations will be the potential impact of Section 162(m) of the Internal Revenue Code, which generally disallows an income tax deduction for public companies for compensation in excess of \$1 million paid in any year to the Chief Executive Officer and to the three next most highly compensated executive officers (excluding the Chief Financial Officer), unless the amount in excess of \$1 million is payable based solely upon the attainment of objective performance criteria. To date we have been operating under a transition exemption from such Section 162(m). In the future, our general approach will be to structure the annual incentive bonuses and stock options payable to our executive officers in a manner that preserves the income tax deductibility of that compensation.

Other tax considerations are factored into the design of our compensation programs, including compliance with the requirements of Section 409A of the Internal Revenue Code, which can impose additional taxes on participants in certain arrangements involving deferred compensation, and Sections 280G and 4999 of the Internal Revenue Code, which affect the deductibility of, and impose certain additional excise taxes on, respectively, certain payments that are made upon or in connection with a change of control.

Accounting considerations are also factored into the design of the compensation programs made available to our executive officers. Principal among these is SFAS No. 123(R), which addresses the accounting treatment of certain share-based compensation.



**Table of Contents****Summary Compensation Table**

The following table shows for the years ended December 31, 2006, 2007, and 2008 compensation awarded to, paid to, or earned by, our Chief Executive Officer, our Chief Financial Officer and our three other most highly compensated executive officers for the year ended December 31, 2008.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (3)(\$)	Non-Equity Incentive Plan Compensation (4)(\$)	Change in Pension Value and Nonqualified Deferred	All Other Compensation (\$)	Total (\$)
						Compensation Earnings (5)(\$)		
Mathieson	2008	\$ 550,000	\$ 206,250(1)	\$ 646,929	\$	\$	\$ 22,374(6)	\$ 1,420,000
Chief Executive Officer	2007	550,000		909,329	319,275		23,031(7)	1,800,000
Chief Financial Officer	2006	445,499	1,650,000(2)	67,268	222,750		256,407(8)	2,640,000
Mathieson	2008	398,904	372,981(1)	99,340			82,912(6)	950,000
Vice President and Chief Financial Officer	2007							
	2006							
Redlow	2008	260,000	97,500(1)	288,905		(449,899)	19,897(6)	210,000
Vice President, Operations	2007	260,000		406,088	150,930	351,309	18,769(7)	1,180,000
J. Groman	2006	238,830	195,000(2)	30,041	119,415		17,649(8)	600,000
Vice President, General Counsel and Corporate Secretary	2008	275,000	103,125(1)	211,426			19,443(6)	600,000
	2007	275,000		299,432	159,637		19,310(7)	750,000
	2006	5,288	230,000(9)	9,845			554(8)	240,000
H. Hobson	2008	234,910	88,125(1)	103,943			22,464(6)	440,000
Vice President, Corporate Operations	2007	224,686		98,448	130,430		21,338(7)	470,000
	2006	164,730	28,514(2)	7,283	81,620		10,962(8)	290,000

- (1) Consists of a discretionary bonus paid to the named executive officers in 2009, based on performance in the period referenced but not made pursuant to our Annual Incentive Plan. In addition, Mr. Mathieson received a \$300,000 signing bonus in January 2008, in connection with the commencement of his employment.
- (2) Consists of amounts paid to the named executive officers in 2006 pursuant to the retention benefit agreements in connection with the recapitalization.
- (3) Valuation based on the dollar amount of option grants recognized for financial statement reporting purposes pursuant to SFAS No. 123(R), excluding an estimate of forfeitures, as described in Note 18 of the notes to consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2008 filed with the SEC on February 25, 2009.

(4)

Consists of amounts earned in the period referenced, based on the targets reached pursuant to our Annual Incentive Plan for our executive officers.

- (5) Represents total aggregate earnings under our Deferred Compensation Savings Plan, which are based upon investment results of participant selected phantom investment alternatives that track the actual performance of various market investments. The phantom investment alternatives available under our Deferred Compensation Savings Plan all track the performance of actual market investments, and are similar to the investment alternatives offered under our 401(k) plan.
- (6) Consists of: car allowance for Messrs. Olsson (\$13,292), Mathieson (\$14,400), Groman (\$14,400) and Hobson (\$14,400); use of a company car for Mr. Olsson (\$1,188) and Mr. Ledlow (\$11,535); group term life for Messrs. Olsson (\$990), Mathieson (\$1,343), Ledlow (\$612), Groman (\$392) and Hobson (\$289); matching 401(k) contributions for Messrs. Olsson (\$6,904), Mathieson (\$5,904), Ledlow (\$7,750), Groman (\$2,125) and Hobson (\$7,750); and financial planning reimbursement for Messrs. Mathieson (\$2,168) and Groman (\$2,500).

**Table of Contents**

In addition, in connection with Mr. Mathieson's acceptance of employment with us, we paid approximately \$59,098 in connection with certain relocation expenses.

- (7) Consists of: car allowance for Messrs. Groman (\$14,400) and Hobson (\$13,846); use of a company car for Messrs. Olsson (\$14,250) and Ledlow (\$10,910); expatriate tax preparation/filing reimbursement for Mr. Olsson (\$1,050); group term life for Messrs. Olsson (\$981), Ledlow (\$609), Groman (\$347) and Hobson (\$242); gift cards for Messrs. Ledlow (\$500), Groman (\$500) and Hobson (\$500); matching 401(k) contributions for Messrs. Olsson (\$6,750), Ledlow (\$6,750), Groman (\$1,563) and Hobson (\$6,750); and financial planning reimbursement for Mr. Groman (\$2,500).
- (8) Consists of: car allowance for Messrs. Groman (\$554) and Hobson (\$10,754); use of a company car for Messrs. Olsson (\$8,312) and Ledlow (\$10,528); matching 401(k) contributions for Messrs. Olsson, Ledlow, and Hobson of \$6,600; and group term life insurance for each of these executives. In addition, in connection with Mr. Olsson's acceptance of employment with us and his relocation, he received a partial year housing allowance equal to approximately \$32,705, pension plan payments equal to approximately \$126,700, a relocation tax-gross up equal to approximately \$75,676 and certain other relocation and expatriate benefits consistent with the ACAB policy for expatriate employees. These benefits were discontinued in April 2006.
- (9) Mr. Groman received a \$230,000 signing bonus in December 2006, in connection with the commencement of his employment.

**Grants of Plan-Based Awards**

The following table summarizes the awards made to the named executive officers under any plan in 2008.

**Grants of Plan-Based Awards**

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			All Other Option Awards: Number of Shares of Stock or Units (#)	Exercise of Base Price of Option Awards (\$/SH)	Grant Date Fair Value of Stock and Options Awards	Approval Date
		Threshold (\$)	Target (\$)	Maximum (\$)				
Erik Olsson		\$ 206,250	\$ 412,500	\$ 1,100,000				
David Mathieson		150,000	300,000	600,000				
David Ledlow	1/2/2008	97,500	195,000	390,000	81,067(2)	\$ 12.00	\$ 399,539	11/27/2007
Kevin J. Groman		103,125	206,250	412,500				
Phillip H. Hobson	2/19/2008	88,125	176,250	352,500	35,000(3)	10.28	148,642	2/19/2008

- (1) Represents possible annual incentive plan payments for 2008. Bonuses are awarded as a percentage of the executives' base salary and payment is based on actual base salary for the time period in which the bonus was earned. No amounts were earned in 2008.
- (2) In January 2008, in connection with Mr. Mathieson's commencement of employment as our Senior Vice President and Chief Financial Officer, he received an equity award equivalent to approximately \$400,000 of equity determined by the Black-Scholes calculation resulting in stock options for 81,067 shares which have a term of ten years and annual vesting of 25% per year, subject to continued employment.
- (3) In 2007, Mr. Hobson was promoted to SVP, Corporate Operations. However, due to Mr. Hobson's promotion being prior to the initial public offering, no options were granted for the promotion at that time. To this end, in February 2008, the Compensation Committee granted Mr. Hobson stock options for 35,000 shares with a term of ten years and annual vesting of 25% per year, subject to continued employment.

### **Employment Agreements**

We have entered into employment agreements with each of our named executive officers. Under the agreements, our named executive officers are entitled to base salary and variable compensation. The executives also participate in RSC Holdings' employee benefit and equity programs, and receive an annual car allowance (or in

**Table of Contents**

certain circumstances, use of the company car), and an annual tax and financial planning service allowance as more fully described in this Compensation Discussion and Analysis. The employment agreements with the named executive officers will continue in effect until terminated by either party, and provide that if the employment of the executive is terminated without Cause or for Good Reason (as defined in the agreement), the executive will receive continued payment of base salary, a pro-rata bonus, and certain benefits for a three year period for the Chief Executive Officer and two years for the named executive officers. Please see *Potential Payments Upon Termination or Change in Control* for more specifics. The employment agreements also bind each named executive officer to confidentiality requirements and post-termination non-competition and non-solicitation provisions.

In February 2009, Erik Olsson and our named executive officers entered into amendments to their respective employment agreements. Under such amendments, Mr. Olsson, as President and Chief Executive Officer, agreed to lower his base salary for 2009 by 20%, retroactive to January 1, 2009, and the remaining named executive officers each agreed to lower their base salary by 10% for the remainder of 2009, effective March 2, 2009. The reduction does not affect certain ancillary benefits, such as severance pay, which if and to the extent any becomes applicable prior to January 1, 2010, would continue to reference the applicable base salary prior to the respective amendments. Effective January 1, 2010, the base salaries of Mr. Olsson and the other named executive officers will return to their pre-reduction levels.

**Outstanding Equity Awards at December 31, 2008**

The following table summarizes the number of securities underlying the option awards for each named executive officer as of December 31, 2008.

**Outstanding Equity Awards at December 31, 2008**

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Awards Equity Incentive Plan Awards:		
			Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date
Erik Olsson	125,838	188,758		\$ 6.52	12/4/2016(1)
	120,805		508,388	6.52	12/4/2016(2)
David Mathieson		81,067		12.00	1/2/2018(3)
David Ledlow	56,196	84,297		6.52	12/4/2016(1)
	53,949		227,036	6.52	12/4/2016(2)
Kevin J. Groman	40,870	61,306		6.52	12/19/2016(1)
	39,235		165,117	6.52	12/19/2016(2)
Phillip H. Hobson	13,977	20,967		6.52	12/4/2016(1)
	13,418		56,469	6.52	12/4/2016(2)
		35,000		10.28	2/19/2018(3)

- (1) These service-based options vest over five years in equal annual installments on December 4, 2007, 2008, 2009, 2010, and ending 2011 for all named executive officers other than Mr. Groman whose options vest on each December 19, starting with 2007, 2008, 2009, 2010, and ending 2011.
- (2) In 2006, the grant of performance-based options to the Messrs. Olsson, Ledlow, Groman, and Hobson, was 629,193; 280,985; 204,352; and 69,877, respectively. These performance-based options have the potential to vest 20% each year, subject to catch-up vesting if applicable, based on RSC Holdings' achievement of certain pre-determined performance goals, which vest after the completion of each year when the Audit Committee approves the year end audited financial statements. Based on the achievement of the pre-determined 2007 performance goals, 19.2% of these performance-based options vested in March 2008. In addition to the

## **Table of Contents**

information set forth in the table above, based on the achievement of the pre-determined 2008 performance goals, 10.9% of the performance-based options vested in February 2009.

- (3) These service-based options will vest over four years in equal annual installments on the anniversary date of the grant which was January 2, 2008, for Mr. Mathieson, and February 19, 2008, for Mr. Hobson.

## **Option Exercises and Stock Vested**

During 2008, none of our named executive officers exercised any stock options or vested in any shares subject to stock awards.

## **Pension Benefits**

We do not sponsor any qualified or nonqualified defined benefit plans.

## **Nonqualified Deferred Compensation**

We have two deferred compensation plans, one for pre-December 31, 2004 contributions, and one that is for post December 31, 2004 contributions which was approved by the Board of Directors on June 24, 2008, which is a 409A compliant plan for post January 1, 2005, contributions, together these plans are referred to as DCSP. The DCSP allows our eligible employees, including our executive officers, with annual base salary of more than \$120,000, to defer a portion of their salary, commission and/or bonus compensation on a pre-tax basis. Because the DCSP is not a tax-qualified plan, the amounts deferred are not subject to the limits imposed by a tax-qualified plan.

Under our DCSP, participants may annually elect to defer up to 50% of their salary and commission compensation, and up to 100% of their performance-based compensation, including eligible bonuses. The minimum deferral is 2% of the participant's base compensation. Elective deferrals of cash compensation are withheld from a participant's paycheck and credited, as applicable, to a bookkeeping account established in the name of the participant. A participant is always 100% vested in his or her own elective cash deferrals and any earnings thereon. We may also make discretionary contributions to participants' accounts in the future, although we do not currently plan to do so. Discretionary contributions made by us in the future, if any, will vest according to the same vesting schedule found in our 401(k) plan. Amounts contributed to a participant's account through elective deferrals, or through our discretionary contributions, are generally not subject to income tax, and we do not receive a deduction, until they are distributed from the accounts.

Under our DCSP, we are obligated to deliver on a future date deferred compensation credited to the participant's account, as adjusted for earnings and losses. A participant's account is adjusted for any positive or negative investment results from phantom investment alternatives selected by the participant that are available under the DCSP, which track actual market investments and are similar to the investment alternatives offered under our 401(k) plan. A participant may make changes to selected phantom investments on a daily basis in accordance with rules established by the DCSP committee. Contributions made pursuant to the DCSP are our unfunded, unsecured general obligations subject to the claims of our creditors. We do not provide matching contributions to the deferrals an employee makes pursuant to the DCSP.

Amounts in a participant's account will be payable in cash commencing upon the specified distribution date selected by the participant at the time of deferral. However, if a participant's service with us terminates prior to the selected distribution date or dates, payments will commence as soon as practicable following termination of service. Payments will generally be distributed in the form of a lump sum payment. However, distributions may be made in up to 10 annual installments in the event of the participant's termination of service due to the participant's disability, death or

termination on or after attaining age 65, or upon attaining any combination of age plus years of service with us that equal 65, depending upon, if applicable, the form of distribution elected by a participant at the time of deferral. Any payments made to our specified employees that commence upon a termination of service will be delayed six months in accordance with the requirements of Section 409A of the Internal Revenue Code. In addition, in the event a participant suffers one or more specified unforeseeable emergencies, the DCSP committee may, in its sole discretion, accelerate the payment of the participant's account. Payments scheduled to be made under the DCSP may be otherwise delayed or accelerated only upon the occurrence of certain specified events that comply with the requirements of Section 409A of the Internal Revenue Code.



**Table of Contents**

The following table summarizes contributions, earnings, withdrawals and balances, if any, with respect to the DCSP attributable to our named executive officers for 2008.

**Nonqualified Deferred Compensation**

<b>Name(s)</b>	<b>Executive Contributions in Last FY (\$)</b>	<b>Registrant Contributions in Last FY (\$)</b>	<b>Aggregate Earnings in Last FY (\$)</b>	<b>Aggregate Withdrawals/ Distributions (\$)</b>	<b>Aggregate Balance at Last FYE (\$)</b>
Erik Olsson	\$	\$	\$	\$	\$
David Mathieson					
David Ledlow	19		(449,899)		968,407
Kevin J. Groman					
Phillip H. Hobson					

**Potential Payments upon Termination or Change in Control**

Each of the named executive officers is entitled to receive severance if they are terminated without Cause or for Good Reason. Under the terms of each of the employment agreements Cause is defined as: (a) the failure of the executive to implement or adhere to material policies, practices, or directives of RSC Holdings, including the Board of Directors; (b) conduct of a fraudulent or criminal nature; (c) any action of the executive that is outside the scope of his employment duties that results in material financial harm to RSC Holdings; (d) conduct that is in violation of any provision of the Employment Agreement or any other agreement between the company and the executive; or (e) solely for purposes of death or disability. Good Reason means any of the following occurrences without the executive's consent: (a) a material diminution in, or assignment of duties materially inconsistent with the executive's position (including status, offices, titles, and reporting relationships); (b) a reduction in base salary that is not a part of an across the board reduction; (c) a relocation of the executive's principal place of business to a location that is greater than 50 miles from its current location; or (d) RSC Holdings' material breach of the executive's employment agreement.

Under the terms of each of the employment agreements, assuming the employment of our named executive officers were to be terminated without Cause or for Good Reason as of December 31, 2008, each named executive officer would be entitled to the following payments and benefits:

for Mr. Olsson, continuation of base salary for 36 months and for Messrs. Mathieson, Groman, Hobson, and Ledlow, continuation of base salary for 24 months, which will be paid out in accordance with our regular payroll practices;

pro-rata portion of variable compensation for the year of termination;

continued payment of the same proportion of medical and dental insurance premiums that was paid for by RSC Holdings prior to termination for the period in which the executive is to receive severance payments or until the executive is eligible to receive coverage from another employer;

continued life insurance coverage for the period in which the executive is to receive severance payments;

accelerated vesting under our 401(k) plan and/or other retirement/pension plan on the date of separation;

outplacement counseling and services; and

reasonable association fees related to the executive officer's former duties during the period in which the executive officer is receiving severance payments.

We are not obligated to make any cash payments to these executives if their employment is terminated by us for Cause or by the executive without Good Reason. No severance benefits are provided for any of the executive officers in the event of death or disability. The severance payments are contingent upon the executive continuing to comply with the confidentiality, non-compete, and non-solicitation covenants. The non-compete and

**Table of Contents**

non-solicitation covenants are for a period of 18 months for the Chief Executive Officer and 12 months for the other named executive officers.

The following table details the incremental compensation amounts provided to our named executive officers in the event of termination without Cause or for Good Reason or as a result of a change in control:

<b>Name</b>	<b>Base Salary</b>	<b>Variable Compensation</b>	<b>Broad-Based Benefits</b>	<b>Stock Award(1)</b>	<b>Outplacement</b>	<b>Total Potential Value</b>
Erik Olsson	\$ 1,650,000	\$ 412,500	\$ 32,396	\$ 1,394,292	\$ 10,000	\$ 3,499,188
David Mathieson	800,000	300,000	26,531		10,000	1,136,531
David Ledlow	520,000	195,000	7,380	622,666	10,000	1,355,046
Kevin J. Groman	550,000	206,250	20,643	452,846	10,000	1,239,739
Phillip H. Hobson	470,000	176,250	21,241	154,872	10,000	832,363

- (1) Upon termination as a result of a change in control the dollar amounts in this column reflect the accelerated vesting of all unvested stock options as of December 31, 2008, multiplied by our December 31, 2008, closing stock price of \$8.52, as reported on the NYSE, minus the purchase price of the stock award. In the event of termination without Cause or for Good Reason, the named executive officers would not be entitled to accelerated vesting of unvested stock options, and therefore would receive no compensation under this column.

**Table of Contents**

**ARTICLE VIII. STOCK**

**Security Ownership of Certain Beneficial Owners, Directors, and Officers**

The following table sets forth information as of February 27, 2009, with respect to the ownership of the common stock of RSC Holdings by:

each person known by us to own beneficially more than 5% of our common stock;

each of our Directors;

each of the named executive officers in the *Summary Compensation Table* herein; and

all of our executive officers and Directors as a group.

The amounts and percentages of shares beneficially owned are reported on the basis of SEC regulations governing the determination of beneficial ownership of securities. Under SEC rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities for which that person has a right to acquire beneficial ownership within 60 days. Securities that can be so acquired are deemed to be outstanding for purposes of computing such person's ownership percentage of outstanding shares, but not for purposes of computing any other person's ownership percentage. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest. Subject to the foregoing, the percentage of beneficial ownership is based on 103,412,561 shares of our common stock outstanding as of February 27, 2009.

**Table of Contents**

Except as otherwise indicated in the footnotes to this table, each of the beneficial owners listed has, to our knowledge, sole voting and investment power with respect to the indicated shares of common stock. Unless otherwise indicated, the address for each individual and entity listed below is c/o RSC Holdings Inc., 6929 East Greenway Parkway, Scottsdale, Arizona 85254, Attention: Corporate Secretary.

Name and Address of Beneficial Owner	Number of Shares Issuable Pursuant to Options Exercisable on or Before April 28, 2009	Shares Beneficially Owned		Percent of Total
		Number of Restricted Stock Units Beneficially Owned(5)	Number of Shares Beneficially Owned (Including Shares Shown in First and Second Column)	
OHCP II RSC, LLC(1)			23,910,939	23.12%
OHCMP II RSC, LLC(1)			2,155,540	2.08%
OHCP II RSC COI, LLC(1)			8,688,850	8.40%
RSC Acquisition LLC(2)			19,228,758	18.59%
RSC Acquisition II LLC(2)			15,526,572	15.01%
ACF(3)			10,816,575	10.46%
Bank of America(4)			6,954,178	6.72%
Erik Olsson	314,953		476,217	*
David Ledlow	140,651		232,608	*
Kevin J. Groman	102,291		171,291	*
Phillip H. Hobson	43,732		71,319	*
David Mathieson	20,267		55,521	*
Donald C. Roof		8,404	24,404	*
Pierre E. Leroy		4,671	16,671	*
James H. Ozanne		8,928	8,928	*
Denis J. Nayden(6)				
Timothy Collins(7)				
Edward Dardani(6)				
Douglas Kaden(6)				
Christopher Minnetian(7)				
John R. Monsky(6)				
Scott Spielvogel(7)				
Donald Wagner(7)				
All Directors and executive officers as a group (17 persons)(8)	621,894	22,003	1,006,956	.97%

\* Less than 1%

(1) Represents shares held by funds associated with Oak Hill Capital Management, LLC: (i) OHCP II RSC, LLC, whose sole member is Oak Hill Capital Partners II, L.P., whose general partner is OHCP GenPar II, L.P., whose

general partner is OHCP MGP II, LLC; (ii) OHCMP II RSC, LLC, whose sole member is Oak Hill Capital Management Partners II, L.P., whose general partner is OHCP GenPar II, L.P., whose general partner is OHCP MGP II, LLC; and (iii) OHCP II RSC COI, LLC, whose managing member is OHCP GenPar II, L.P., whose general partner is OHCP MGP II, L.L.C. J. Taylor Crandall, John Fant, Steve Gruber, Greg Kent, Kevin G. Levy, Denis J. Nayden, Ray Pinson, and Mark A. Wolfson, as managers of OHCP MGP II, LLC, may be deemed to share beneficial ownership of the shares shown as beneficially owned by OHCP II RSC, LLC, OHCMP II RSC, LLC and OHCP II RSC COI, LLC. Such persons disclaim such beneficial ownership.

## **Table of Contents**

- (2) Represents shares held by funds associated with Ripplewood Holdings L.L.C.: (i) RSC Acquisition LLC, whose sole member is Ripplewood Partners II, L.P., whose general partner is Ripplewood Partners II GP, L.P., whose general partner is RP II GP, LLC; and (ii) RSC Acquisition II LLC, who is managed by RP II GP, LLC. The sole member of RP II GP, LLC is Collins Family Partners, L.P., who is managed by its general partner, Collins Family Partners Inc. Timothy Collins, as the president and sole shareholder of Collins Family Partners Inc., may be deemed to share beneficial ownership of the shares shown as beneficially owned by RSC Acquisition LLC and RSC Acquisition II LLC. Mr. Collins disclaims such beneficial ownership.
- (3) Based upon a Schedule 13G filed by Atlas Copco Finance S.a.r.l. on February 13, 2009, reporting shared voting power over 10,816,575 of such shares, and shared dispositive power over 10,816,575 of such shares as of December 31, 2008. The address for Atlas Copco Finance S.a.r.l. is 16, Avenue Pasteur, L-2310 Luxembourg.
- (4) Based upon a Schedule 13G filed by Bank of America Corporation on February 13, 2009, in which Bank of America Corporation, and certain affiliates, including NB Holdings Corporation, BAC North America Holding Company, BANA Holding Corporation, Bank of America N.A., Columbia Management Group, LLC, Columbia Management Advisors, LLC, Banc of America Securities Holdings Corporation, Banc of America Securities LLC, Banc of America Investment Advisors, Inc., and U.S. Trust Company of Delaware, reported that they had shared voting power over 6,812,424 of such shares, and shared dispositive power over 6,954,178 of such shares as of December 31, 2008. The address for Bank of America and its affiliates is 100 North Tyron Street, Floor 25, Bank of America Corporate Center, Charlotte, NC 28255.
- (5) Restricted stock units vest fully at the end of each fiscal year served, yet may not be converted until six months following the cessation of service as a Director. Messrs. Leroy, Roof, and Ozanne each have an additional 13,872 of restricted stock units that will vest on December 31, 2009.
- (6) Does not include shares of common stock held by OHCP II RSC, LLC, OHCMP II RSC, LLC and OHCP II RSC COI, LLC, funds associated with Oak Hill Capital Management, LLC. Messrs. Nayden, Dardani, Monsky, and Kaden are Directors of RSC Holdings and RSC and executives of Oak Hill Capital Management, LLC. Such persons disclaim beneficial ownership of the shares held by OHCP II RSC, LLC, OHCMP II RSC, LLC and OHCP II RSC COI, LLC.
- (7) Does not include shares of common stock held by RSC Acquisition LLC and RSC Acquisition II LLC, funds associated with Ripplewood Holdings L.L.C. Messrs. Collins, Wagner, Minnetian, and Spielvogel are Directors of RSC Holdings and RSC and executives of Ripplewood Holdings L.L.C. Such persons disclaim beneficial ownership of the shares held by RSC Acquisition LLC and RSC Acquisition II LLC.
- (8) Includes shares held and stock options and restricted stock units which are currently exercisable or which will become exercisable on or before April 28, 2009, for our Directors and executive officers.

## **Section 16(a) Beneficial Ownership Reporting Compliance**

Based on a review of reports filed by our Directors, executive officers, and beneficial holders of 10% or more of our common stock, and upon representations from those persons, all reports required to be filed by such persons and entities during 2008 were filed on time.

## **ARTICLE IX. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

### **Related Party Transaction Approval Policy**

The Audit Committee is responsible for the review, approval, or ratification of related-person transactions between us and our related persons. Under SEC rules, a related person is a director, officer, nominee for director, or 5% stockholder of RSC Holdings since the beginning of the last fiscal year and their immediate family members. Transactions involving related persons are reviewed by RSC Holdings Audit Committee. The internal disclosure committee determines whether a related person could have a significant interest in such a transaction, and any such transaction is forwarded to the Audit Committee for review. The Audit Committee determines whether the related person has a material interest in a transaction and may approve, ratify, rescind, or take other action with respect to the transaction in its discretion.



## **Table of Contents**

Pursuant to the Code of Business Conduct and Ethics adopted by our Board of Directors, any member of our Board who believes he or she has an actual or potential conflict of interest with us is obligated to notify the Office of the General Counsel and the Executive and Governance Committee as promptly as practicable. That Director should not participate in any decision by our Board, or any committee of our Board, that in any way relates to the matter that gives rise to the conflict or potential conflict of interest until the issue has been resolved to the satisfaction of the Executive and Governance Committee or the Board. The following is a description of certain relationships and transactions that we have entered into with our related persons.

### **Stockholders Agreement**

In connection with the recapitalization in November 2006, RSC Holdings entered into the Stockholders Agreement with ACF, Ripplewood, and Oak Hill. Upon completion of our IPO, the Stockholders Agreement was amended and restated, among other things, to: (i) reflect an agreement between Ripplewood and Oak Hill to increase the size of our Board to up to 13 Directors; (ii) permit Ripplewood and Oak Hill to designate four Directors each, subject to reduction if their equity ownership in RSC Holdings drops below the thresholds specified in the Stockholders Agreement; (iii) provide for the nomination of an additional three independent Directors; (iv) appoint the Chief Executive Officer to serve as a member of the Board; (v) eliminate ACF's right to appoint a Director to the Board of Directors; and (vi) remove certain rights of approval, drag-along rights and preemptive rights, and to retain tag-along rights and restrictions on transfers of shares of RSC Holdings, in certain circumstances.

The Stockholders Agreement grants to each of Ripplewood, Oak Hill, and ACF, so long as each such entity holds at least 5% of the total shares of common stock outstanding at such time, the right, subject to certain limitations, to cause RSC Holdings, at its own expense, to use its best efforts to register such securities held by such entity for public resale. The exercise of this right is not limited to a certain number of requests. In the event RSC Holdings registers any of its common stock, each stockholder of RSC Holdings has the right to require RSC Holdings to use its best efforts to include shares of common stock of RSC Holdings held by it, subject to certain limitations, including as determined by the underwriters. The Stockholders Agreement also provides for RSC Holdings to indemnify the stockholders party to that agreement and their affiliates in connection with the registration of RSC Holdings' securities.

### **Transaction and Indemnification Agreements**

In connection with our IPO, we entered into the Cost Reimbursement Agreement with Ripplewood and Oak Hill, pursuant to which we reimbursed them for expenses incurred in connection with certain advisory and other services. The Cost Reimbursement Agreement does not limit expense amounts subject to reimbursement. In 2008, RSC Holdings reimbursed Ripplewood and Oak Hill for approximately \$96,000 of expenses under these agreements.

In connection with the recapitalization, RSC Holdings and RSC also entered into an Indemnification Agreement with Ripplewood, Oak Hill, and ACF, pursuant to which RSC Holdings and RSC will indemnify Ripplewood, Oak Hill, and ACF, and their respective affiliates, directors, officers, partners, members, employees, agents, advisors, representatives, and controlling persons, against certain liabilities arising out of the recapitalization or the performance of the Monitoring Agreement and certain other claims and liabilities. In connection with RSC Holdings' IPO, RSC Holdings entered into indemnification agreements with each of our Directors and its executive officers. The Indemnification Agreement provides the Directors and executive officers with contractual rights for indemnification and expense advancement rights provided under our By-Laws.

### **Agreements and Relationships with ACAB**

We purchased and rented equipment from affiliates of ACAB of approximately \$44.2 million in 2006, \$40.2 million in 2007, and \$21.9 million in 2008, and certain affiliates of ACAB are participants in the equipment rental industry.

The Recapitalization Agreement contains a non-compete provision that expired in November 2008, and, upon its expiration, ACAB and its affiliates are free to compete with us in the rental equipment industry in the United States and Canada. Until May 2008, ACAB and its affiliates were required to sell us any product manufactured for sale or distributed by their portable air and construction tools divisions on certain payment

**Table of Contents**

terms, without credit support, at a reasonably competitive market price that does not reflect sales on extended credit terms.

Until November 2008, ACAB and its affiliates were not permitted, with certain exceptions, to hire any employees that were at a level of District Manager or above of RSC or any of its subsidiaries, or knowingly solicit any other employee of RSC or any of its subsidiaries. In addition, until November 2008, we were not permitted directly or indirectly to engage or invest in any business in the United States or Canada in competition with our previously owned Prime Energy division, which was retained by two of ACAB's affiliates, with respect to the renting of oil-free compressors.

**Oak Hill Note Purchase**

In connection with our offering of notes to finance the recapitalization, Oak Hill purchased \$20.0 million of the notes for its own account.

**ARTICLE X. OTHER MATTERS  
OTHER BUSINESS**

The Board of Directors is not aware of any other matters to be presented at the Annual Meeting of Stockholders. If any other matter proper for action at the meeting should be presented, the holders of the accompanying proxy will have discretion to vote the shares represented by the proxy on such matter in accordance with their best judgment. If the chairman of the meeting determines that any business was not properly brought before the meeting, the chairman will announce this at the meeting and the business will not be conducted.

**ANNUAL REPORT FOR 2008**

Our annual report for 2008, which includes our Annual Report on Form 10-K for the year ended December 31, 2008, is being furnished concurrently with this Proxy Statement. These materials do not form part of the material for the solicitation of proxies. **A copy of RSC Holdings' Annual Report to the SEC on Form 10-K for the year ended December 31, 2008, is available without charge on the *About Us Investors SEC Filings* portion of our website located at [www.RSCrental.com](http://www.RSCrental.com), or upon request in writing to RSC Holdings Inc., 6929 East Greenway Parkway, Scottsdale, Arizona 85254, Attention: Corporate Secretary.**

**By Order of the Board of Directors**

Kevin J. Groman  
Senior Vice President, General Counsel and  
Corporate Secretary

Scottsdale, Arizona  
March 23, 2009

**Table of Contents**

VOTE BY INTERNET www.proxyvote.com Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form. RSC HOLDINGS INC. 6929 EAST GREENWAY PARKWAY ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS SCOTTSDALE, AZ 85254 If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years. VOTE BY PHONE 1-800-690-6903 Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: RSCHO1 KEEP THIS PORTION FOR YOUR RECORDS THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. DETACH AND RETURN THIS PORTION ONLY RSC HOLDINGS INC. To withhold authority to vote for any individual nominee(s), mark For All Except and write the For Withhold For All All All Except The Board of Directors recommends a vote FOR all number(s) of the nominee(s) on the line below. nominees listed and Proposal 2. Vote On Directors 1. To elect four Directors to hold office until the 2012 Annual Meeting of Stockholders Nominees: 01) Douglas Kaden 02) Erik Olsson 03) James H. Ozanne 04) Scott Spielvogel Vote On Proposal For Against Abstain 2. To ratify the appointment of KPMG LLP as our independent registered public accounting firm, for our fiscal year ending December 31, 2009. The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice. The shares represented by this proxy when properly executed will be voted in the manner directed herein by the undersigned stockholder(s). If no such direction is made, this proxy will be voted FOR items 1 and 2. If any other matters properly come before the meeting, the person named in this proxy will vote in their discretion. For address changes and/or comments, please check this box and write them on the back where indicated. Please indicate if you plan to attend this meeting. Yes No Please sign your name as it appears hereon. When signing as attorney, executor, administrator, trustee or guardian, please add your title as such. When signing jointly, all parties must sign. If a signer is a corporation, please sign in full corporate name by a duly authorized officer. Signature [PLEASE SIGN WITHIN BOX] Date Signature (Joint Owners) Date

---

**Table of Contents**

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Notice and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com). RSCHO2 RSC HOLDINGS INC. 6929 EAST GREENWAY PARKWAY SCOTTSDALE, ARIZONA 85254 ANNUAL MEETING OF STOCKHOLDERS April 28, 2009 The undersigned hereby appoints Erik Olsson and Kevin J. Groman, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common Stock of RSC Holdings Inc., a Delaware corporation, for use at the Annual Meeting of Stockholders to be held on April 28, 2009, at 8:00 a.m., local time, or at any adjournment or postponement thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting. The Annual Meeting will be held at the Westin Kierland Resort, 6902 East Greenway Parkway, Scottsdale, Arizona 85254. We intend to mail this proxy card on or about March 23, 2009, to all stockholders entitled to vote at the Annual Meeting. THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE STOCKHOLDER(S). IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES LISTED ON THE REVERSE SIDE FOR THE BOARD OF DIRECTORS OF RSC HOLDINGS INC., AND FOR PROPOSAL 2. Address Changes/Comments: (If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)