

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2020
OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number: 1-4364



RYDER SYSTEM, INC.

(Exact name of registrant as specified in its charter)

Florida

(State or other jurisdiction of incorporation or organization)

**11690 N.W. 105th Street
Miami, Florida 33178**

(Address of principal executive offices, including zip code)

Securities registered pursuant to Section 12(b) of the Act:

59-0739250

(I.R.S. Employer Identification No.)

(305) 500-3726

(Telephone number, including area code)

Title of each class

Ryder System, Inc. Common Stock (\$0.50 par value)

Trading symbol(s)

R

Name of exchange on which registered

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant computed by reference to the price at which the common equity was sold at June 30, 2020 was \$1.955 billion. The number of shares of Ryder System, Inc. Common Stock outstanding at January 31, 2021 was 53,697,961.

Documents Incorporated by Reference into this Report

Ryder System, Inc. 2020 Proxy Statement

Part of Form 10-K into which Document is Incorporated

Part III

RYDER SYSTEM, INC.
FORM 10-K ANNUAL REPORT

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PART I
ITEM 1. BUSINESS

OVERVIEW

Ryder System, Inc. (Ryder) is a leading logistics and transportation company. We provide supply chain, dedicated transportation, and commercial fleet management solutions. We report our financial performance based on three business segments: (1) Fleet Management Solutions (FMS), which provides full service leasing and leasing with flexible maintenance options, commercial rental, and maintenance services of trucks, tractors and trailers to customers principally in the United States (U.S.), Canada and the United Kingdom (U.K.); (2) Supply Chain Solutions (SCS), which provides integrated logistics solutions, including distribution management, dedicated transportation, transportation management, last mile and professional services in North America; and (3) Dedicated Transportation Solutions (DTS), which provides turnkey transportation solutions in the U.S. that includes dedicated vehicles, drivers, management and administrative support. Dedicated transportation services provided as part of an operationally integrated, multi-service, supply chain solution to SCS customers are primarily reported in the SCS business segment.

MISSION AND STRATEGY

Ryder's mission is to provide innovative fleet management and supply chain solutions that are reliable, safe and efficient, enabling our customers to deliver on their promises. We seek to deliver valuable solutions that will compel customers to outsource their fleet management and supply chain needs to us. Our primary strategy is to accelerate growth in our supply chain and dedicated businesses and successfully grow in our fleet management solutions business by targeting those companies not currently outsourcing their fleet-related and logistics services as well as companies who have outsourced to other providers. This strategy is supported by:

- leveraging secular trends to outsource transportation and logistics services which is driven by increased cost and complexity of vehicle operation, labor constraints, and the need for efficient supply chains in a changing environment;
- offering innovative products, solutions and support services to create and strengthen customer relationships;
- delivering operational excellence through continuous productivity and process improvements;
- attracting, developing and retaining the best talent; and
- deploying technology to accelerate growth while improving operational efficiencies.

Value Proposition

Through our FMS business, we provide our customers with a variety of fleet solutions that are designed to improve their competitive position. By outsourcing these services to us, our customers can focus on their core business, improve their efficiency and productivity, and lower their costs. Our FMS product offering is comprised of full service leasing as well as leasing with flexible maintenance options; shorter-term commercial vehicle rental; contract or transactional maintenance services; and value-added fleet support services to help fleet managers optimize their fleets by providing digital solutions, technology tools and information they need in the areas of asset performance, compliance, safety, and comprehensive fuel services. In addition, we provide our customers the ability to purchase a large selection of used trucks, tractors and trailers through our used vehicle sales facilities or through our website. FMS also provides vehicles and maintenance, fuel and other services for all vehicles used in our SCS and DTS businesses.

Market Trends

The U.S. commercial fleet market is estimated to include 9 million vehicles, of which 5 million vehicles are privately owned by companies, 2 million vehicles are with for-hire carriers, 1 million vehicles are leased from banks or other financial institutions, and 1 million vehicles are being leased or rented from third parties¹. The companies that privately own their fleets generally provide all or a portion of the fleet management services for themselves rather than outsourcing those services to third parties such as Ryder.

The Canadian commercial fleet is estimated at 500,000 vehicles, of which approximately 15,000 vehicles are being leased or rented from other third parties². In the U.K., approximately 250,000 vehicles are being leased or rented from third parties³.

Over the last several years, many key trends have been reshaping the transportation industry. Companies that own, maintain and manage their own fleet of vehicles have put greater emphasis on the quality of their preventive maintenance and safety programs because of increased demand for efficiency and reliability. The maintenance and operation of commercial vehicles has become more complicated and expensive, requiring companies to spend a significant amount of time and money to keep up with new technology, diagnostics, retooling and training. Companies are also faced with labor issues, including a shortage of mechanics and qualified truck drivers. Maintenance and other vehicle operational processes have become more costly as a result of increased regulation and active enforcement efforts by federal and state governments require more stringent and costly operational processes and oversight. Also, fluctuating energy prices and alternative fuel technologies have and will make it difficult for businesses to predict and manage fleet costs. In addition, the value of used vehicles has generally declined over the past few years, which could lead to further risks when owning a vehicle. We believe these trends increase the value of our product offering and will increasingly lead privately held fleets and the for-hire carriers to decide to outsource.

Operations

In 2020, our global FMS business accounted for 55% of our consolidated revenue.

United States. Our FMS customers in the U.S. range from small businesses to large national enterprises operating in a wide variety of industries, the most significant of which are transportation and warehousing, food and beverage, housing, business and personal services, and industrial. At December 31, 2020, we had 535 operating locations, excluding ancillary storage locations, in 50 states, the District of Columbia and Puerto Rico. A location consists of a maintenance facility and serves multiple customers. Our maintenance facilities typically include a shop for preventive maintenance and repairs, a service island for fueling, safety inspections and preliminary maintenance checks, offices for sales and other personnel, and in many cases, a commercial rental vehicle counter. We also operate on-site at 166 customer locations, which primarily provide vehicle maintenance solely for that customer's fleet.

Canada. At December 31, 2020, we had 33 operating locations throughout seven Canadian provinces. We also operate 14 maintenance facilities on-site at customer properties in Canada.

Europe. At December 31, 2020, we managed a network of 344 third-party maintenance facilities and had 46 operating locations, primarily throughout the U.K., including those that we manage on behalf of our customers. We also supply and manage vehicles and equipment for military organizations in the U.K. and Germany. We have transformed our maintenance

¹ U.S. Fleet as of December 2020, Class 3-8, IHS Markit Ltd.

² Canada Outsourced Fleet Market as of December 2020, Class 3-8, IHS Markit Ltd.

³ U.K. Lease and Rental HGV Market, Projection for December 2020, Source: The Society of Motor Manufacturers & Traders (SMMT) 2010 & Ryder Internal Estimate

support activities to meet customer needs by introducing technology and digital tools and leveraging our maintenance partnerships to expand our maintenance network and customer support services.

FMS Product Offerings

ChoiceLease. Our lease offering, ChoiceLease, provides customers with vehicles, maintenance services, supplies, and related equipment necessary for operation of the vehicles while our customers furnish and supervise their own drivers and exercise control over the vehicles. The ChoiceLease offering allows customers to select the terms of their lease alongside the level of maintenance they prefer, from full service coverage to on-demand, or pay-as-you-go, maintenance.

Our ChoiceLease customers receive the following benefits:

- We are able to leverage our vehicle buying power for the benefit of our customers because we purchase a large number of vehicles from a limited number of manufacturers. Once we have signed an agreement with the customer, we acquire vehicles and components that are custom engineered to the customer's requirements and lease the vehicles to the customer for periods generally ranging from three to seven years for trucks and tractors and typically ten years for trailers.
- We offer ChoiceLease customers a complete maintenance program designed to reduce vehicle downtime that includes a preventive maintenance plan that is based on vehicle type and time or mileage intervals. Alternatively, we offer flexible maintenance options to our customers designed to provide them with choices on their preferred level of maintenance. Given our continued focus on improving the efficiency and effectiveness of our maintenance services, particularly in light of changing technology and increased regulation, we provide our ChoiceLease customers with a cost effective alternative to maintaining their own fleet of vehicles and the flexibility to choose the maintenance program that works for them.
- Our customers have access to our extensive network of maintenance facilities and trained technicians for maintenance, vehicle repairs, 24-hour emergency roadside service, and replacement vehicles for vehicles that are temporarily out of service.
- We typically retain vehicle residual risk exposure.
- Customers have an opportunity to enhance their standard lease with additional fleet support services, including our fuel and related services as described below; safety services including safety training, driver certification and loss prevention consulting; vehicle use and other tax reporting, permitting and licensing, and regulatory compliance (including hours of service administration); environmental services; and access to *RyderGuide*[®], our mobile fleet tool that provides customers with 24/7 access to key operational and maintenance management information about their fleets; and access to *RydeSmart*[®], a full-featured GPS fleet location, tracking, and vehicle performance telematics system. In January 2020, we announced our plan to exit the extension of our liability insurance coverage for ChoiceLease customers, which is expected to be completed in the first quarter of 2021.

For the year ended December 31, 2020, ChoiceLease revenue accounted for 62% of our FMS total revenue.

SelectCare. Through our SelectCare product line, we provide maintenance services to customers who choose not to lease some or all of their vehicles from us. Our SelectCare customers have the opportunity to utilize our extensive network of maintenance facilities and trained technicians to maintain the vehicles they own or lease from third parties. There are several bundles of services available to SelectCare customers including full service contract maintenance, preventive only maintenance and on-demand maintenance. Vehicles covered under this offering are typically serviced at our own facilities. However, based on the size and complexity of a customer's fleet, we may operate an on-site maintenance facility at the customer's location or through our mobile service vehicles.

We may also offer our lease and maintenance customers additional maintenance and repair services, as needed, that are not included in contractual agreements, such as services when a customer damages a vehicle. In such situations, we generally charge the customer on an hourly basis for work performed. By servicing all of our customers' maintenance needs, we create stronger, long-term relationships and have greater opportunity to provide customers with a wide range of outsourcing solutions. For the year ended December 31, 2020, SelectCare revenue accounted for 10% of our FMS total revenue.

Commercial Rental. We offer rental vehicles to customers that have a need to supplement their private fleet of vehicles on a short-term basis (one day up to one year in length), either because of seasonal increases in their business or discrete projects with additional transportation needs. ChoiceLease customers also utilize our commercial rental fleet to handle their peak or seasonal business needs, as substitute vehicles while their lease vehicles are undergoing maintenance, and while they are awaiting delivery of new lease vehicles. Although a portion of our commercial rental business is purely occasional in nature, we focus on building long-term relationships with customers so that we become their preferred source for commercial vehicle rentals. In addition to vehicle rental, we may extend liability insurance coverage under our existing policies to our rental

customers as well as the benefits of cost savings and convenience of our comprehensive fuel services program. For the year ended December 31, 2020, commercial rental revenue accounted for 16% of our FMS total revenue.

The following table provides information regarding the number of vehicles and customers by FMS product offering as of December 31, 2020:

	U.S.		Foreign		Total	
	Vehicles	Customers	Vehicles	Customers	Vehicles	Customers
ChoiceLease	128,400	11,600	21,200	2,200	149,600	13,800
SelectCare ⁽¹⁾	46,300	1,600	4,000	200	50,300	1,800
Commercial rental ⁽²⁾	30,600	28,600	4,400	4,700	35,000	33,300

(1) *SelectCare customers include approximately 900 ChoiceLease customers*

(2) *Commercial rental customers represent those who rented a vehicle for more than 3 days during the year and includes approximately 6,300 ChoiceLease customers*

Fuel Services. We provide our FMS customers with access to diesel fuel at competitive prices at 451 of our maintenance facilities across the United States and Canada. We also provide fuel services such as fuel planning, fuel tax reporting, centralized billing, fuel cards and fuel monitoring. Although fuel sales do not have a significant impact on our FMS earnings, as it is largely a pass-through cost to customers, we believe allowing customers to leverage our fuel buying power is a significant and valuable benefit to our customers. For the year ended December 31, 2020, fuel services revenue accounted for 11% of our FMS total revenue.

Used Vehicles. We primarily sell our used vehicles out of our 59 retail sales centers throughout North America (15 of which are co-located at an FMS shop), at our branch locations and through our website at www.Usedtrucks.Ryder.com. Typically, before we offer used vehicles for sale, our technicians ensure that the vehicles are *Ryder Certified*TM, which means that they have passed a comprehensive, multi-point performance inspection based on specifications formulated through our maintenance program; *Ryder Verified*TM, which are fully inspected and Department of Transportation (DOT) compliant vehicles with some wear and tear, or *Ryder Reclassified*TM. Given our focus on maximizing sales proceeds, we primarily sell our used vehicles through our retail channel, which allows us to leverage our maintenance expertise and strong brand reputation to realize higher sales proceeds than in the wholesale market. The realized sales proceeds of used vehicles are dependent upon various other factors, including the general state of the used vehicle market, the supply and demand for used commercial vehicles in wholesale and retail markets, and the age and condition of the vehicle at the time of its disposal. In recent years, the general state of the used vehicle sales market has been particularly challenging, which has required us to increase the amount of vehicles sold in the wholesale market, and lower residual value estimates on vehicles still in operation.

FMS Business Strategy

Our FMS business strategy is to be the leading provider of fleet management outsourcing services for light, medium and heavy duty commercial highway vehicles. This strategy revolves around the following interrelated goals and priorities:

- drive profitable fleet growth that maximizes our return on investment by (1) successfully implementing sales and marketing initiatives designed to compel private fleet operators and for-hire carriers to outsource all or some portion of their fleet management needs to us, (2) reducing costs through operational efficiencies, including long-term maintenance initiatives, and (3) offering innovative products, solutions and support services that will create and strengthen new and existing customer relationships;
- deliver a consistent, industry-leading and cost-effective lease and maintenance program to our customers through continued process improvement; productivity initiatives; and technology improvements, which also help us attract new customers; and
- optimize asset utilization and management, particularly with respect to our rental fleet, used vehicle operations and maintenance facility infrastructure.

Competition

As an alternative to using our fleet management services, companies may choose to provide these services for themselves or to obtain similar or alternative services from other third-party vendors.

Our FMS business segment competes with companies that provide and manage maintenance services themselves and those providing similar services on a national, regional and local level. Many regional and local competitors provide services on a national level through their participation in various cooperative programs. We compete with finance lessors, truck and trailer

manufacturers and independent dealers who provide full service lease products, finance leases, extended warranty maintenance, rental and other transportation services. We compete with other companies based on factors such as price, geographic coverage, equipment, maintenance options, and service reliability and quality. We also face competition from managed maintenance providers who are hired to coordinate and manage the maintenance of large fleets of vehicles through a network of third-party maintenance providers.

Supply Chain Solutions

Value Proposition

Through our SCS business, we offer a broad range of innovative logistics management services that are designed to optimize customers' supply chain and address customers' key business requirements. Our business is organized by industry verticals (Automotive, Technology and Healthcare, Consumer Packaged Goods and Retail, and Industrial and Other) to enable our teams to focus on the specific needs of their customers. Our SCS product offerings are organized into five categories: distribution management, dedicated transportation, transportation management, last mile and professional services. These offerings are supported by a variety of information technology and engineering solutions and can be provided independently or as an integrated solution to optimize supply chain effectiveness. Key aspects of our value proposition are our operational execution and industry expertise, which are important differentiators in the marketplace.

Market Trends

Logistics spending in the markets we target in North America equates to approximately \$2 trillion, of which \$245 billion is outsourced⁴. Outsourced logistics is a market with significant growth opportunity. More sophisticated supply chain practices are required as supply chains expand and become more complex and companies look for lower cost supply chain alternatives. In addition, disruptions from unexpected events, such as natural disasters and global pandemics, have caused companies to focus on risk management of their supply chains. For example, we believe the effects of the coronavirus (COVID-19) pandemic are accelerating trends toward e-commerce fulfillment, final mile delivery of big and bulky goods, and onshoring and nearshoring of manufacturing and supply chain operations. The more complicated the supply chain or the product requirements, the greater the need for companies to utilize the expertise of supply chain solution providers.

Operations

For the year ended December 31, 2020, our global SCS business accounted for 30% of our consolidated revenue.

U.S. At December 31, 2020, we had 190 SCS customer accounts in the U.S., most of which are large enterprises that maintain large, complex supply chains. Most of our core SCS business operations are strategically located in geographic locations to maximize efficiencies and reduce costs. At December 31, 2020, managed warehouse space totaled approximately 57 million square feet.

We also centralize certain logistics expertise in locations not associated with specific customer sites. For example, our carrier procurement, contract management, freight bill audit and payment services, and transportation optimization and execution groups operate out of our logistics centers in Novi, Michigan and Fort Worth, Texas.

Mexico. At December 31, 2020, we had 145 SCS customer accounts and managed warehouse space totaling approximately 4 million square feet. Our Mexico operations offer a full range of SCS services, which are often highly integrated with our distribution and transportation operations, and manage approximately 18,400 border crossings each month between the U.S. and Mexico.

Canada. At December 31, 2020, we had 34 SCS customer accounts and managed warehouse space totaling approximately 2.3 million square feet. The Canadian operations are highly coordinated with their U.S. and Mexico counterparts and manage approximately 9,500 border crossings each month.

⁴ *Armstrong & Associates - Third-Party Logistics Market Results and Predictions for 2020, August 2020*

SCS Product Offerings

Distribution Management. Our SCS business offers a wide range of services relating to a customer's distribution operations, such as designing a customer's distribution network; managing distribution facilities; offering an e-commerce service designed specifically for high-volumes; coordinating warehousing and transportation for inbound and outbound material flows; handling import and export for international shipments; coordinating just-in-time replenishment of component parts to manufacturing plants and final assembly; and providing shipments to customer distribution centers or end customer delivery points, including support for e-commerce networks. Additional value-added services, such as light assembly of components into defined units, packaging and refurbishment, are also offered to our customers. For the year ended December 31, 2020, distribution management solutions accounted for 39% of our SCS revenue.

Dedicated Transportation. Dedicated transportation services are offered as part of an integrated supply chain solution to our customers. We fulfill transportation needs for our customers with a combination of outside carriers and dedicated services. The dedicated transportation services offering combines the equipment, maintenance, drivers and additional services to provide a customer with a dedicated transportation solution that, combined with outside transportation, is designed to increase their competitive position, improve risk management and integrate their transportation needs with their overall supply chain. As part of our dedicated transportation services, we also offer routing and scheduling, fleet sizing, safety, regulatory compliance, risk management, technology and communication systems support including on-board computer and other technical support. These additional services allow our customers to mitigate labor challenges associated with maintaining a private fleet of vehicles, such as driver recruitment and turnover, and government regulation, including hours of service regulations, DOT audits and workers' compensation. Our dedicated transportation solution offers a high degree of specialization to meet the needs of customers with sophisticated service requirements such as tight delivery windows, high value or time-sensitive distribution, closed-loop distribution, multi-stop shipments, specialized equipment and integrated transportation needs. Dedicated transportation operations are located at our customer facilities, and our dedicated offering utilizes and benefits from our extensive network of FMS facilities, which provides maintenance for all Ryder vehicles used in SCS solutions. For the year ended December 31, 2020, approximately 33% of our SCS revenue was related to dedicated transportation services.

Transportation Management. Our SCS business offers transportation management services relating to all aspects of a customer's transportation network. Our team of transportation specialists provides shipment planning and execution, which includes shipment optimization, load scheduling, and delivery confirmation through a series of technological and web-based solutions. Our transportation consultants focus on carrier procurement of all modes of transportation with an emphasis on truck-based transportation, and also includes rate negotiation, freight bill audits and payment services. In addition, our SCS business provides customers with brokerage services designed to provide prequalified trucking capacity in North America. For the year ended December 31, 2020, we purchased or executed approximately \$6.1 billion in freight moves on our customers' behalf, including \$84 million in brokerage services. For the year ended December 31, 2020, transportation management solutions accounted for 14% of our SCS revenue.

Last Mile. Our last mile offering consists of a network of 100 locations strategically located throughout the U.S. that receive, assemble, and prepare big and bulky items ranging from furniture to exercise equipment for in-home or office delivery, as well as a network to help fulfill e-commerce distribution needs. We offer tiered levels of delivery services to meet customers' needs, including placing the newly delivered item in the location of a consumer's choosing, minor installation and disposal of the replaced item. We use proprietary scheduling software to provide customers with the appointment times they need and optimize routes for maximum efficiency. For the year ended December 31, 2020, our last mile service accounted for 10% of our SCS revenue.

Professional Services. In conjunction with providing the SCS services described previously, our SCS business offers a variety of knowledge-based professional services that support every aspect of a customer's supply chain. Our SCS professionals are available to evaluate a customer's existing supply chain to identify inefficiencies as well as opportunities for integration and improvement. Once the assessment is complete, we work with the customer to develop a supply chain strategy that will create the most value for the customer and their target clients. Once a customer has adopted a supply chain strategy, our SCS logistics team, supported by functional experts and representatives from our information technology, real estate and finance groups, work together to design a strategically focused supply chain solution. The solution may include both a network design that sets forth the number, location and function of key components of the network and a transportation solution that optimizes the mode or modes of transportation and route selection. In addition to providing the distribution and transportation expertise necessary to implement the supply chain solution, our SCS representatives can coordinate and manage all aspects of the customer's supply chain provider network to assure consistency, efficiency and flexibility. For the year ended December 31, 2020, knowledge-based professional services accounted for 4% of our SCS revenue.

SCS Business Strategy

Our SCS business strategy is to offer our customers differentiated, functional execution and proactive solutions from our expertise in key industry verticals. The strategy revolves around the following interrelated goals and priorities:

- provide customers with best in class execution and quality through reliable and flexible supply chain solutions;
- develop innovative solutions and capabilities that drive value for our customers, such as *RyderShare*TM, a real-time collaborative visibility tool showing all goods moving across the supply chain;
- create a culture of innovation and collaboration to provide solutions to meet our clients' needs;
- focus consistently on network optimization and continuous improvement;
- execute on targeted sales and marketing growth strategies; and
- expand customer relationships to include fast growing offerings in e-commerce and last mile.

Competition

As an alternative to using our services, companies may choose to internally manage their own supply chains and logistics operations, or obtain similar or alternative services from other third-party vendors.

In the SCS business segment, we compete with a large number of companies providing similar services, each of which has a different set of core competencies. We compete with a handful of large, multi-service companies across all of our product offerings and industries. We also compete against other companies on specific service offerings (for example, in transportation management, distribution management or dedicated transportation) or with companies specializing in a specific industry. We face different competitors in each country or region where they may have a greater operational presence. We compete based on factors such as price, service offerings, market knowledge, expertise in logistics-related technology and overall performance (e.g., timeliness, accuracy, and flexibility).

Dedicated Transportation Solutions

Value Proposition

Through our DTS business, we combine equipment, maintenance, drivers, administrative services and additional services, including routing and scheduling, fleet sizing, safety, regulatory compliance, risk management, and technology and communication systems support to provide customers with a dedicated transportation solution that is designed to increase their competitive position, improve risk management and integrate their transportation needs with their overall supply chain. This solution allows us to mitigate our customers' labor challenges associated with maintaining a private fleet of vehicles, such as driver recruitment and retention, and government regulation, including electronic logging devices and hours of service regulations, DOT audits and workers' compensation. Our DTS solution offers a high degree of specialization to meet the needs of customers with sophisticated service requirements such as tight delivery windows, high-value or time-sensitive freight distribution, closed-loop distribution, multi-stop shipments, specialized equipment and integrated transportation needs.

Market Trends

The U.S. dedicated market is estimated to be \$20 billion⁵ from an addressable market of approximately \$400 billion⁶. This market is affected by many of the same trends that impact our FMS business. The administrative requirements relating to regulations issued by the DOT regarding driver screening, training and testing, as well as record keeping and other costs associated with the hours of service requirements, make our DTS offering an attractive alternative to private fleet and driver management. There continues to be significant pressure on the availability of qualified truck drivers and shippers continue to seek dedicated capacity from quality transportation and logistics providers, which makes our offering attractive to potential customers. In addition, market demand for just-in-time delivery creates a need for well-defined routing and scheduling plans that are based on comprehensive asset utilization analysis and fleet rationalization studies offered as part of our DTS services.

Operations/Product Offerings

For the year ended December 31, 2020, our DTS business accounted for 15% of our consolidated revenue. At December 31, 2020, we had 188 DTS customer accounts in the U.S. Because it is highly customized, our DTS product is particularly attractive to companies that operate in industries that have time-sensitive deliveries or special handling requirements, as well as companies who require specialized equipment. DTS accounts typically operate in a limited geographic area, and, therefore, most of the drivers assigned to these accounts are short haul drivers, meaning they return home at the end of each work day,

⁵ *Armstrong & Associates - Third-Party Logistics Market Results and Predictions for 2020, August 2020*

⁶ *Addressable market as of October 2020, Class 3-8, IHS Markit Ltd. (formerly RL Polk) & Ryder Internal Estimates*

which helps with driver recruiting and retention. Although a significant portion of our DTS operations are located at customer facilities, our DTS business also utilizes and benefits from our extensive network of FMS facilities, including the FMS maintenance network that services the vehicles used in DTS solutions.

In order to customize an appropriate DTS transportation solution for our customers, our DTS logistics specialists perform a transportation analysis using advanced logistics planning and operating tools. Based on this analysis, they formulate a logistics design that includes the routing and scheduling of vehicles, the efficient use of vehicle capacity and overall asset utilization. The goal of each customized plan is to create a distribution system that optimizes freight flow while meeting a customer's service goals. A team of DTS transportation specialists can then implement the plan by leveraging the resources, expertise and technological capabilities of both our FMS and SCS businesses.

To the extent a distribution plan includes multiple modes of transportation (air, rail, sea and highway), our DTS team, in conjunction with our SCS transportation specialists, selects appropriate transportation modes and carriers, places the freight, monitors carrier performance and audits billing. In addition, through our SCS business, we can reduce costs and add value to a DTS customer's distribution system by aggregating orders into loads, looking for shipment consolidation opportunities and organizing loads for vehicles that are returning from their destination point back to their point of origin (backhaul).

DTS Business Strategy

Our DTS business strategy is to offer services to customers who need specialized equipment, specialized handling or integrated services. This strategy revolves around the following interrelated goals and priorities:

- increase market share to provide more specialized services with customers across industries, including customers in the retail, metals and mining, energy and utility, consumer product goods, construction, and food and beverage industries;
- develop innovative solutions and capabilities that drive value for our customers, such as *RyderShare*[™], a real-time collaborative visibility tool showing all goods moving across the supply chain;
- utilize the support of the FMS sales team to compel private fleet operators to outsource all or some of their transportation needs to us;
- align the DTS business with other SCS product lines to create revenue opportunities and improve operating efficiencies in both segments;
- leverage secular outsourcing trends, such as driver shortage and increased safety regulations and equipment costs; and
- improve competitiveness in the non-specialized and non-integrated customer segments.

Competition

Our DTS business segment competes with other dedicated providers and truckload carriers servicing on a national, regional and local level. We compete with these companies based on a number of factors, including price, equipment options and features, maintenance, service and geographic coverage, driver availability and operations expertise. We are able to differentiate our DTS product offering by leveraging our FMS vehicles and maintenance services and integrating the DTS services with those of SCS to create a more comprehensive transportation solution for our customers. Our strong safety record and focus on customer service also enables us to uniquely meet the needs of customers with high-value products that require specialized handling in a manner that differentiates us from truckload carriers.

STRATEGIC INITIATIVES

In addition to our continued focus on organic growth, strategic initiatives, including acquisitions and other investments or partnerships, play an important role in enhancing our growth strategy. In our SCS and DTS business segments, we focus on adding technological capabilities and product offerings, potentially expanding into new industries, diversifying our customer base within our current industries, and improving our competitive position. In assessing potential acquisitions and investments in our FMS business segment, we look for opportunities that would create value through operating synergies, expanding our service offerings, providing more efficient ways to offer or deliver our services, leveraging our existing facility infrastructure, improving our geographic coverage and diversifying our customer base.

COVID-19

Our business has been, and may continue to be, impacted by the COVID-19 pandemic. For a detailed discussion of its impact on our results of operations and future considerations, refer to our "Consolidated Results" and "Operating Results by Business Segment" discussions in the Management's Discussion and Analysis of Financial Condition and Results of Operations

and Note 1, "Summary of Significant Accounting Policies" in the Notes to Consolidated Financial Statements. In addition, for a detailed description of certain risk factors that impact our business, including those related to the COVID-19 pandemic, refer to "Item 1A-Risk Factors" and "Special Note Regarding Forward-Looking Statements" sections included in this Annual Report.

CYCLICALITY

Our business is impacted by economic and market conditions. In a strong economic cycle, there is generally more demand for our fleet management, dedicated transportation and supply chain services. In a weak or volatile economy, demand for our services decreases and is considerably more unpredictable. Because of these factors, we have continued to focus on increasing the diversity of our customer base and strengthening our long-term business partnerships with our customers. Although we believe these efforts help mitigate the immediate impact of an economic downturn, customers are often unwilling to commit to a full-service lease or long-term supply chain and dedicated contracts during a protracted or severe economic downturn. Because commercial rental and used vehicle sales are transactional, they are more cyclical in nature and are also heavily dependent on economic and market conditions, and results can vary significantly in both the short- and long-term. We mitigate some of the potential impact of an economic downturn through a disciplined and centralized approach to asset management. This approach allows us to manage the size, mix and location of our operating fleet and used vehicle inventories to try and maximize asset utilization and used vehicle proceeds in both strong and weak market conditions.

REGULATION

Our business is subject to regulation by various federal, state, local and foreign governmental entities. The DOT and various federal and state agencies exercise broad powers over certain aspects of our business, generally governing such activities as authorization to engage in motor carrier operations, safety and operations. The Federal Motor Carrier Safety Administration (FMCSA), under the DOT, manages a Compliance, Safety, Accountability initiative (CSA), partnering with state agencies designed to monitor and improve commercial vehicle motor safety, which uses roadside inspections and violations to measure motor carriers and drivers. The FMCSA also has regulations mandating electronic logging devices in commercial motor vehicles that impact various aspects of our dedicated, supply chain and rental businesses.

We are also subject to a variety of laws and regulations promulgated by national, state, provincial and local governments, including the U.S. Environmental Protection Agency (EPA) and the Occupational Safety and Health Administration (OSHA), which regulate safety, the management of hazardous materials, water discharges, air emissions, solid waste disposal and the release and cleanup of regulated substances. In addition, we must comply with licensing and other requirements imposed by the U.S. Department of Homeland Security and the U.S. Customs Service as a result of increased focus on homeland security and our Customs-Trade Partnership Against Terrorism certification. We may also become subject to new or more restrictive regulations imposed by these agencies or other authorities or states relating to carbon controls and reporting, engine exhaust emissions, drivers' hours of service, wage and hour requirements, security including data privacy and cyber security and ergonomics. We are also subject to a variety of state and local regulations related to pandemic response, including health and wellness and sanitation responses in light of the COVID-19 pandemic, which has, and will, require us to incur costs to comply with these regulations.

Additional information about the regulations that we are subject to can be found in Item 1A. "Risk Factors" in this Annual Report on Form 10-K. We do not believe compliance with governmental laws and regulations will have a material adverse effect on capital expenditures, earnings or competitive position.

Refer to Note 19, "Environmental Matters," in the Notes to Consolidated Financial Statements for a discussion surrounding environmental matters.

HUMAN CAPITAL

We strive to create a high-performance culture that embraces diverse perspectives and experiences and ensure that employees have opportunities to develop the skills they need to grow and excel in their fields. Human capital management is a priority for our executives and Board of Directors. We are committed to identifying and developing the talent necessary for our long-term success. We have a robust talent and succession planning process and have established programs to support the development of our talent pipeline for critical roles in our organization. Annually, we conduct a robust review with the leadership team focusing on high performing and high potential talent, diverse talent and succession for our critical roles.

We also recognize that it is important to develop our future leaders. We provide a variety of resources to help our employees build and develop their skills, including online development resources as well as individual development opportunities and projects for key talent. Additionally, we have leadership development resources for our future leaders as they

continue to develop their skills. We invest in our employees by offering comprehensive health, welfare and retirement programs, along with wellness programs and well-being initiatives.

At December 31, 2020, we had approximately 39,000 full-time employees worldwide, of which 38,000 were employed in North America and 1,000 in Europe. We currently employ approximately 8,600 drivers and 5,400 technicians. We have approximately 25,200 hourly employees in the U.S., approximately 3,500 of which are organized by labor unions. Those employees organized by labor unions are principally represented by the International Brotherhood of Teamsters, the International Association of Machinists and Aerospace Workers, and the United Auto Workers. Their wages and benefits are governed by 96 separate labor agreements which are renegotiated periodically. Although we have not experienced a material work stoppage or strike, these events can potentially occur given the types of businesses in which we currently engage. We consider the relationship with our employees to be good. Refer to "We may face difficulties in attracting and retaining drivers and technicians", included in Item 1A. Risk Factors for further information regarding risk associated with our human capital and the attraction, development, and retention of personnel.

Safety

Our safety culture is founded upon a core commitment to the safety, health and well-being of our employees, customers and the community. As a core value, our focus on safety is embedded in our day-to-day operations, reinforced by many safety programs and continuous operational improvement and supported by a talented and dedicated safety organization.

We have created and implemented policies, processes and training programs to minimize safety events. We review and monitor our performance closely. We deploy relevant vehicle safety systems in the vehicles we operate, including active brake assistance, lane departure warning systems and stability control, to enhance safety performance. We also install aftermarket safety monitoring systems that provide effective means for our operations teams to measure and improve driver performance, including in-vehicle video event recorders. Training is also a key component of our safety program. We use certified driver trainers to on-board and train our drivers using first hand experienced certified driver trainers. Proactive injury and crash prevention and remedial training are also delivered regularly online to each employee through a highly interactive lesson platform. Regular safety behavioral observations are conducted by managers throughout the organization every day and remedial training and coaching takes place on the spot. Our proprietary, web-based safety management system, *RyderSafetyNet*TM, delivers monthly proactive safety programs as well as safety compliance tasks tailored to every location and helps measure safety activity effectiveness across the organization. Our safety policies require that all managers, supervisors and employees incorporate safe processes in all aspects of our business. Monthly safety scorecards are tracked and reviewed by management for progress toward key safety objectives.

COVID-19 and Employee Safety and Wellness

During the COVID-19 pandemic, the safety and well-being of our employees and their families has been a top priority, consistent with our company's core values, as we continue to serve our customers. Our operations supporting the supply chains and transportation needs of our customers has been deemed essential and we have continued operations during this period, but with diligent emphasis around following the guidelines from the Centers for Disease Control (CDC) and applicable state and local governments. We have adopted and implemented the COVID-19 Exposure Prevention, Preparedness, and Response Plan (COVID Response Plan), which defines our policies and procedures designed to mitigate the potential for transmission of COVID-19 and prevent exposure to illness from certain other infectious diseases. Among other things, the COVID Response Plan details employee and company responsibilities related to house-keeping and sanitization, hygiene and respiratory etiquette, use of personal protective equipment, employee and visitor screening procedures, leave policies and accommodations, remote working opportunities and infrastructure, and protocols for not reporting to work and when to return to work upon potential or confirmed COVID-19 exposure or infection. Company leadership and each business has increased the frequency of cross-functional communications to quickly identify and address any pandemic related needs. In addition, we use technology resources and human capital to develop tracking tools with predictive capabilities in an effort to further protect the workforce and efficiently deploy resources to do so. Further, we refined our wellness programs and communications aimed at informing employees about the pandemic, as well as engaging employees with healthcare providers to promote the proactive evaluation, tracking, and management of major health and wellness indicators.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Name	Age	Position
Robert E. Sanchez	55	Chair and Chief Executive Officer
Scott T. Parker	53	Executive Vice President and Chief Financial Officer
John J. Diez	50	President, Global Fleet Management
J. Steven Sensing	53	President, Global Supply Chain Solutions and Dedicated Transportation Solutions
Robert D. Fatovic	55	Executive Vice President, Chief Legal Officer and Corporate Secretary
John Gleason	64	Executive Vice President and Chief Sales Officer
Karen M. Jones	58	Executive Vice President and Chief Marketing Officer
Frank Lopez	46	Executive Vice President and Chief Human Resources Officer
Tim Fiore	65	Senior Vice President and Chief Procurement Officer
Rajeev Ravindran	55	Senior Vice President and Chief Information Officer
Cristina Gallo-Aquino	47	Senior Vice President and Controller

Robert E. Sanchez was appointed Chair of Ryder's Board in May 2013 and promoted to Chief Executive Officer and became a Board member in January 2013. Previously, Mr. Sanchez served as President and Chief Operating Officer from February 2012 to December 2012. He served as President, Global Fleet Management Solutions from September 2010 to February 2012 and as Executive Vice President and Chief Financial Officer from October 2007 to September 2010. He also previously served as Executive Vice President of Operations, U.S. Fleet Management Solutions from October 2005 to October 2007 and as Senior Vice President and Chief Information Officer from January 2003 to October 2005. Mr. Sanchez joined Ryder in 1993 and has held various other positions of increasing responsibility, including leadership positions in all three of Ryder's business segments.

Scott T. Parker joined Ryder in April 2019 and was appointed Executive Vice President and Chief Financial Officer. Prior to joining Ryder, Mr. Parker served as Executive Vice President and Chief Financial Officer at OneMain Financial, a leading consumer finance company, where he was responsible for overseeing all financial operations since 2015. Prior to OneMain Financial, Mr. Parker served as Chief Financial Officer for CIT Group Inc., a commercial finance company, from 2010 to 2015. He also served as Chief Financial Officer from 2006 to 2008 and Chief Operating Officer from 2008 to 2010 of Cerberus Operations & Advisory Company, and spent more than 15 years in leadership roles within the industrial and financial services businesses at General Electric Company, including Chief Financial Officer of GE Capital Solutions from 2005 to 2006.

John J. Diez has served as President, Global Fleet Management Solutions since September 2019. Previously, Mr. Diez served as President of Dedicated Transportation Solutions from March 2015 to August 2019, as Senior Vice President of Ryder Dedicated from March 2014 to February 2015, and as Senior Vice President of Asset Management from January 2011 to February 2014. Mr. Diez joined Ryder's Finance department in 2002 and has since held various positions within Finance including Senior Vice President Global Field Finance and Vice President and Chief Financial Officer of Fleet Management Solutions.

J. Steven Sensing has served as President of Global Supply Chain Solutions since March 2015. In September 2019, the DTS business was consolidated under the leadership of Mr. Sensing. Previously, Mr. Sensing served as Vice President and General Manager of the Technology industry group from February 2007 to February 2015. In July 2014, he also added the Retail industry group under his leadership. Mr. Sensing joined Ryder in 1992 and has since held various positions within Dedicated Services, Transportation Management and Distribution Management.

Robert D. Fatovic has served as Executive Vice President, Chief Legal Officer and Corporate Secretary since May 2004. He previously served as Senior Vice President, U.S. Supply Chain Operations, Hi-Tech and Consumer Industries from December 2002 to May 2004. Mr. Fatovic joined Ryder's Law department in 1994 as Assistant Division Counsel and has held various other positions within the Law department including Vice President and Deputy General Counsel.

John Gleason has served as Executive Vice President and Chief Sales Officer since November 2015. Previously, Mr. Gleason served as Senior Vice President of Global Fleet Management Solutions from October 2009, when he joined Ryder, to October 2015. Prior to joining Ryder, Mr. Gleason served as Chief Sales Officer for Automatic Data Processing from April 2005 to September 2009 and as Senior Vice President of Sales from July 1998 to April 2005.

Karen M. Jones has served as Executive Vice President and Chief Marketing Officer since October 2014. She joined Ryder in September 2013 as Senior Vice President and Chief Marketing Officer. Prior to joining Ryder, Ms. Jones was Chief Marketing Officer for NRG/Reliant Energy, Inc from 2010 to 2013. Previously, Ms. Jones served as Senior Vice President of Marketing and Corporate Communications for DHL Express U.S. from 2006 to 2009 and as Vice President of Advertising.

Brand Management and Promotion from 2004 to 2006. In addition, Ms. Jones has served in key positions responsible for worldwide brand advertising, sponsorship, and strategic alliances for Hewlett Packard.

Frank Lopez was appointed as Executive Vice President and Chief Human Resources Officer in February 2018. Previously, Mr. Lopez served as Chief Human Resources Officer since February 2016 and Senior Vice President, Global Human Resources Operations since July 2013. Mr. Lopez joined Ryder in 2002 and has since held various positions within the Human Resources, Labor Relations and Legal functions.

Timothy (Tim) Fiore was appointed Senior Vice President and Chief Procurement Officer in March of 2018. He previously held the same role from 2002 to 2005. Prior to his current role, Mr. Fiore was the Senior Vice President and Chief Procurement Officer of ThyssenKrupp NA, a manufacturer and supplier of automotive and industrial components and equipment, from 2012 until his retirement in 2014. In that role, he was responsible for developing and implementing ThyssenKrupp's first consolidated North American supply management program. He also serves as Chair of the Institute for Supply Management's Manufacturing Business Survey Committee since 2017. Over the course of his career, Mr. Fiore has also held senior supply management roles at Terex Corporation, Celanese Corporation, and United Technologies Corporation.

Rajeev Ravindran joined Ryder and was appointed Senior Vice President and Chief Information Officer in January 2018. Mr. Ravindran has over 20 years of IT leadership experience and was previously the CIO and Group Vice President at JM Enterprises since 2012. Prior to JM, Mr. Ravindran worked in IT leadership roles at various companies including Interactive Metronome, Asista.com, and AutoNation.

Cristina Gallo-Aquino has served as Senior Vice President and Controller since August 2020. Previously, Ms. Gallo-Aquino served as Vice President and Chief Financial Officer, Global Fleet Management Solutions from August 2015 through August 2020 and Vice President and Controller from September 2010 through August 2015. Ms. Gallo-Aquino joined Ryder in 2004 and has held various positions within the Finance and Corporate Accounting departments.

FURTHER INFORMATION

For further discussion concerning our business, see the information included in Items 7 and 8 of this report. Industry and market data used throughout Item 1 was obtained through a compilation of surveys and studies conducted by industry sources, consultants and analysts.

We make available our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports through the Investor Relations page on our website at www.ryder.com as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission (SEC). The SEC maintains an Internet site that contains our reports, proxy and information statements, and our other SEC filings. The address of the SEC's website is www.sec.gov.

In addition, our Corporate Governance Guidelines, Principles of Business Conduct and Board committee charters are posted on the Corporate Governance page of our website at www.investors.ryder.com. Upon request to our Investor Relations page on our website at www.ryder.com, we will provide a copy of these documents to anyone, free of charge.

ITEM 1A. RISK FACTORS

The following is a cautionary discussion of the material risks and uncertainties that management believes affect us. Any of the following risks, as well as risks that we do not know or currently deem immaterial, could have a material adverse effect on our business, financial condition or results of operations. Accordingly, you should carefully consider the following risk factors in conjunction with all of the other information set forth in or incorporated by reference in this Form 10-K.

Risks Related to our Business and Operations

The COVID-19 pandemic has adversely impacted, and may continue to adversely impact, our business, results of operations and financial condition, and the ultimate impact on our business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted.

Our business is highly susceptible to changes in economic conditions and our products and services are directly tied to the production and sale of goods and, more generally, to the North American economy. The COVID-19 pandemic and measures taken in response to its spread have severely impacted economic and commercial activity, and, as a result, transportation and supply chain companies such as ours have experienced slowdowns and reduced demand.

The extent to which the COVID-19 pandemic will continue to impact our business, operations and financial results will depend on numerous evolving factors that are difficult to accurately predict, including: the duration and scope of the pandemic and the potential for additional outbreaks and new strains of the virus; how quickly and to what extent prior levels of economic activity can resume; the timing of the development and distribution of an effective vaccine or treatments for COVID-19; governments', businesses' and individuals' actions in response to the pandemic; the prolonged effect on customer demand for our goods and services and the customer's ability to pay for these goods and services.

The adverse impacts of the COVID-19 pandemic led to a significant automotive production slowdowns or shutdowns which resulted in a deterioration in SCS automotive customer activity starting in April, which represents a significant portion of our SCS revenue. Our automotive customers that were shut down restarted production in May and are generally at normal operating levels. This period of automotive slowdowns or shutdowns was followed by increased consumer demand in the second half of 2020, particularly in the fourth quarter. This surge in demand contributed to a worldwide semiconductor supply shortage in early 2021, as semiconductor suppliers have been unable to rapidly reallocate production to respond to demand across multiple industries, particularly the automotive industry. We are currently assessing the potential supply chain impacts of this worldwide shortage, which may directly or indirectly impact the production activity of our automotive SCS customers. While we are working closely with our automotive SCS customers to monitor and mitigate any potential adverse impacts, such mitigation efforts may not be successful or may have further negative impacts. Any negative impacts, including reduced volumes, delays or disruptions in production on automotive SCS customer operations may have a material adverse impact on our SCS revenues and earnings. Furthermore, the semiconductor shortage may cause production delays for our original equipment manufacturers' (OEM) suppliers that provide vehicles for our FMS business, which could adversely impacting our FMS business and profitability.

We have also experienced varying impacts with our SCS customers in non-automotive industries as well as with our DTS customers, with some customers and industries, such as off price/discount and clothing retailers, experiencing lower volumes and others, like consumer-packaged goods, experiencing volume increases. Lower volumes and revenues in our non-automotive SCS industries and in DTS have a lesser impact on our earnings as our fees are less variable.

As a result of government actions taken, such as shutdowns of large gatherings and mandated social distancing orders, as well as the significant reduction in business activity across the U.S., demand for our commercial rental vehicles and rental utilization rates decreased significantly throughout the first half of 2020 and have negatively impacted our earnings. Although we have seen positive commercial rental demand trends in the second half of 2020, if demand further deteriorates or does not seasonally increase as it has in prior years, we may not be able to attain or maintain our utilization targets. As a result, we may be required to further downsize our fleet and decrease our pricing. In addition, we may not be able to redeploy rental vehicles with lease customers due to lack of demand for such vehicles. Each of these occurrences could result in lower revenues and further adverse impacts on our financial results.

In addition, in our FMS segment, we experienced a weakening of market conditions in used vehicle sales due to the COVID-19 pandemic. We will continue to regularly review and update our outlook for the used vehicle market, as appropriate, and, if our outlook is below our multi-year pricing averages, we may be required to further decrease residual value estimates to better align with current market conditions and our outlook. In addition, if weak market conditions continue for a prolonged period or further deteriorate, we may also need to sell additional vehicles at wholesale prices which would require us to take additional valuation adjustments. Any residual value estimate changes and valuation adjustments made in future periods would

be incremental to any prior residual value estimate changes previously taken for vehicles in the fleet. If we determine to decrease residual value estimates or record valuation adjustments, these changes could have a material adverse impact on our financial results and liquidity.

With respect to our ChoiceLease product line, our customers have signed long-term lease contracts and, therefore, we do not expect our revenue and cash flows to be materially affected provided our customers remain solvent and continue to make their payments on their contractual obligations. We have experienced decreases in new ChoiceLease sales as well as a decrease in miles driven by our customers throughout 2020. Any prolonged decrease in sales activity and miles driven could adversely affect our growth prospects.

The financial condition of our customers, primarily in FMS, are being adversely impacted and have resulted and may continue to result in an increase in bankruptcies or insolvencies, or a delay in payments, which may, in turn, impact our business, results of operations and financial condition. We have established additional credit loss reserves due to our expectations for COVID-19 related payment activity and may need to increase our credit loss reserves if economic conditions worsen for our customers. Further, in the event of a prolonged economic downturn which has a material negative impact on our earnings and free cash flow, we may not be able to comply with our financial covenant in our global revolving credit facility which, in the absence of a bank waiver, would negatively impact our ability to borrow under that facility and negatively impact our liquidity position. We periodically evaluate factors to determine if it is more likely than not that our assets are impaired, including goodwill. These factors include, but are not limited to, macroeconomic conditions, changes in our industry and the markets in which we operate, and our market capitalization, as well as our reporting units' expected future financial performance. We undertook an interim goodwill impairment test related to our FMS NA reporting unit as of March 31, 2020 and concluded that no impairment was necessary. On October 1, 2020, we performed our annual goodwill impairment test and determined there were no indicators of impairment to goodwill for our reporting units. At this time, it remains uncertain whether and to what extent we may need to record charges for impairments in the future as a result of the ongoing COVID-19 pandemic.

In addition to the operational impacts described above, the COVID-19 pandemic may present or heighten other operational risks to our business. Remote working arrangements may decrease employee productivity, increase cybersecurity risks and the strain on our technology systems, and adversely affect our internal controls over financial reporting. Further, our business may be adversely affected if key personnel become ill from COVID-19 and are unable to work.

Due to the increase in claims as a result of the impacts of the COVID-19 pandemic, insurance companies may limit or stop offering coverage to companies like ours or increase the cost of such insurance so that it is no longer available at commercially reasonable rates. This trend could adversely affect our ability to obtain suitable insurance coverage or increase the cost for such coverage significantly, each of which may adversely affect our financial condition, results of operations, liquidity or cash flows.

Decreased customer demand for transportation services due to adverse economic conditions, competition or other factors have and could in the future adversely impact our business and operating results.

The transportation industry is highly cyclical and highly susceptible to trends in economic activity. Weakness or uncertainty in economic conditions in the U.S., and to a lesser extent the other geographic markets in which we operate, could adversely impact our business and operating results. Our business relies on the strength of our customers' businesses and the level of confidence our customers have about current and future economic conditions and trends. Our vehicles are leased or rented to customers that transport goods commercially, so the demand for our products and services is tied directly to the production and sale of goods by our customers, and more generally, the health of the North American economy and overall levels of competition in the transportation and logistics industry. Because of this, our business may begin to slow before market slowdowns, at the point of customer uncertainty, and may recover later than market recoveries, as our customers may continue to feel uncertain about future market conditions. If uncertainty and lack of customer confidence around macroeconomic and transportation industry conditions increase, our future growth prospects, business and results of operations could be materially adversely affected.

Among our services and product offerings, demand for our longer-term contractual services is particularly susceptible to changes in economic and market conditions, as customers are often unwilling to commit to long-term lease, maintenance, dedicated services or supply chain contracts in a weak or volatile economy. Accordingly, any sustained weakness in demand or a protracted economic downturn can negatively impact performance and operating results in our longer-term contractual services, which include ChoiceLease and SelectCare contracts in our FMS business segment, supply chain and last mile delivery contracts in our SCS business segment and dedicated services in our DTS business segment.

We bear the residual risk on the value of our vehicles.

Impact on Used Vehicle Sales. We generally bear the risk that we will not be able to resell our vehicles at a price equal to or above their expected residual values. If we overestimate a vehicle's residual value this could contribute to lower gains or losses on sales of our used vehicles. A decline in market demand for used vehicles or a change in our outlook for demand and pricing would likely result in a reduction in our residual values. Factors that could contribute to a decline in the market demand for used vehicles include an oversupply of vehicles in the marketplace; decline in customers due to economic conditions; concerns regarding the real or perceived quality, maintenance or condition of our vehicles; foreign exchange movements; or changes in technology or vehicle types, including broader acceptance of alternative fuel vehicles, that render select vehicles or technology obsolete or less attractive to purchasers. We sell our used vehicles through various channels, including retail sales centers, at our branch locations, through our website at www.UsedTrucks.Ryder.com, as well as through the wholesale market. Pricing and demand for used vehicles varies among selling channels, particularly between the retail and wholesale markets, as we generally obtain lower proceeds on vehicles sold through wholesale channels. If we are unable to meet our targeted sales goals and inventory levels through our projected sales mix of retail versus wholesale, we may be required to sell more vehicles than planned through the wholesale market, which will impact our sales proceeds.

The conditions in the third quarter of 2019 and first half of 2020 triggered a re-evaluation of our residual value estimates which resulted in changes to our estimated vehicle values. We have not made any significant changes to our residual value estimates since the second quarter of 2020.

We will continue to regularly review and update our outlook for the used vehicle market, as appropriate, and, if our outlook is below our multi-year pricing averages, we may be required to further decrease residual value estimates to better align with current market conditions and our outlook. In addition, if weak market conditions continue for a prolonged period or further deteriorate, we may also need to sell additional vehicles at wholesale prices which would require us to take additional valuation adjustments. Any residual value estimate changes and valuation adjustments made in future periods would be incremental to any prior residual value estimate changes previously taken for vehicles in the fleet. If we determine to decrease residual value estimates or record valuation adjustments, these changes could have a material adverse impact on our financial results and liquidity.

Impact on our ChoiceLease Product Line. Changes in residual values also impact the overall competitiveness of our ChoiceLease product line, as estimated sales proceeds are a significant component of the overall price of the lease. Additionally, vehicle type or technology changes, sudden changes in supply and demand, competitor pricing, and other market factors beyond our control, vary from year to year and from vehicle to vehicle, making it difficult to accurately predict residual values used in calculating and pricing our ChoiceLease arrangements. Although we have developed disciplines related to the management and maintenance of our leased vehicles designed to maximize the value of our used vehicles, there is no assurance that these practices will sufficiently reduce the residual risk.

For a detailed discussion on our accounting policies and assumptions relating to depreciation and residual values, please see "Critical Accounting Estimates - Depreciation and Residual Value Estimates" in Management's Discussion and Analysis of Financial Condition and Results of Operations.

Our profitability has been and could in the future be negatively impacted if our key operational assumptions and pricing structure prove to be invalid.

Substantially all of our SCS and DTS services, as well as our ChoiceLease and SelectCare products, are provided under long-term contractual arrangements with our customers. These contractual arrangements include pricing terms that are subject to a number of key operational assumptions including, but not limited to:

- with respect to our SCS contracts, the scope of services, production volumes, operational efficiencies, the mix of fixed versus variable costs, productivity and other factors;
- with respect to our DTS contracts, market wages, availability of labor, insurance rates and other operating costs that experience market fluctuations; and
- with respect to our ChoiceLease and SelectCare contracts, residual values (ChoiceLease only) and maintenance expense.

If we are incorrect in our assumptions, or, as a result of subsequent changes in customer demand or other market forces that are outside of our control, these assumptions prove to be invalid, we could have lower margins than anticipated in a

contract or segment, lose business, or be unable to offer competitive products and services. For example, our SCS and DTS services are highly customized and offer a high degree of specialization to meet the needs of our customers. We may not be able to adjust the pricing terms in some of our SCS and DTS contracts in the event any of our assumptions prove to be incorrect or invalid. As a result, if we do not accurately predict the costs to us to execute the SCS or DTS contract, it could result in a significant decrease in revenue or loss on the contract that could adversely affect our operating results and financial condition. Additionally, although some of our SCS or DTS contracts provide for renegotiation upon a material change, there is no assurance that we will be successful in obtaining the necessary price adjustments or that pricing will be sufficient to cover the risk.

Our capital intensive business requires us to make capital decisions based upon projected customer activity levels and market demand for our commercial rental product line.

We make significant investments in vehicles to support our rental business based on anticipated customer demand. We make commitments to purchase the vehicles many months in advance of the expected use of the vehicle and seek to optimize the size and mix of the commercial rental fleet based on demand projections and various other factors. As a result, our business is dependent on our ability to accurately estimate future levels of rental activity and consumer preferences to effectively capitalize on market demand in order to drive the highest levels of utilization and revenue per unit. Missing our projections could result in too much or too little capacity in our rental fleet. Overcapacity could require us to deploy or sell vehicles at lower than anticipated pricing levels which may result in asset write-downs. In addition, overcapacity could result in lower revenues and higher costs and have an adverse impact on profitability. Undercapacity could impact our ability to reliably provide rental vehicles to our customers and may negatively affect our profitability and our reputation. We employ a sales force and operations team on a full-time basis to manage and optimize this product line; however, their efforts may not be sufficient to overcome unforeseen changes in market demand in the rental business. In contrast, in our ChoiceLease product line, we typically do not purchase vehicles until we have an executed contract with a customer.

We may fail to respond adequately or in a timely manner to innovative changes in new technology in our industry.

In recent years, our industry has been characterized by rapid changes in technology, leading to innovative transportation and logistics concepts that have impacted or have the potential to significantly impact our business model, competitive landscape and the industries of our customers and suppliers. For example, new concepts are currently under development for more advanced electric vehicles, autonomous or semi-autonomous self-driving vehicles, connected vehicle platforms, and drones. Additional innovations impacting the transportation, trucking and supply chain/logistics industries are likely that we cannot yet foresee. In addition, there is a rapidly growing demand for e-commerce services, last mile home delivery and asset- and freight-sharing services, which continue to disrupt the transportation industry with the goal of bringing efficiencies to the transportation marketplace.

Our inability to quickly adapt to and adopt new innovations in products and processes desired by our customers may result in a significant loss of demand for our service offerings. In addition, advances in technology may require us to increase investments in order to remain competitive, and our customers may not be willing to accept higher prices to cover the cost of these investments. An increase in customer use of electric vehicles could reduce the demand for our vehicle maintenance services, diesel vehicles and related offerings. Likewise, self-driving vehicles may reduce the demand for our dedicated service offerings, where, in addition to a vehicle, Ryder provides a driver as part of an integrated, full service customer solution. While we are actively engaged in developing strategic partnerships with new technology providers, developing new products, and evaluating emerging technology, we cannot be certain that such initiatives will be successful or timely, and our failure to successfully and timely implement any of these initiatives could have an adverse impact on our financial condition or results of operations. In addition, the speed of onset and adoption of any new technologies may be affected by changes in the political or regulatory environment, which could further increase our investment costs for new technologies, operating complexity and our ability to offer such technologies to our customers in the jurisdictions in which we operate.

Failure to maintain, upgrade and consolidate our information technology networks could adversely affect us.

Our success depends on the functionality of information technology systems to support our service offerings. Extended delays or cost overruns in securing, developing and otherwise implementing technology solutions to support our business and the business initiatives we will be developing in the future would delay and possibly prevent us from realizing the projected benefits of these initiatives. In addition, our reputation with our customers may suffer if outages, system failures or delays in timely access to data occur in our information technology systems that support key business processes.

We are continuously upgrading and consolidating our information technology systems by enhancing legacy systems, replacing legacy systems with successor systems and acquiring new systems with enhanced functionality. These types of activities subject us to additional costs and inherent risks associated with replacing and modifying our existing systems, including impairment of our ability to provide our services, disruption of our internal control structure, substantial capital expenditures, additional administration and operating expenses, retention of sufficiently skilled personnel to implement and operate the new systems, demands on management time, disruptions in our business operations, and other risks and costs of delays or difficulties in transitioning to new systems or integrating new systems into our current systems. Our system implementations may not result in productivity improvements at a level that outweighs the costs of implementation, or at all.

We also continue the transition to our new Enterprise Resource Planning (ERP) system. This new system is designed to improve efficiencies and integrate and automate certain internal financial, operating, and other technology applications that are critical to our business operations. While we have invested, and continue to invest significant amounts, including for additional personnel and third-party consultants, to implement and operate this system, it is possible that we may experience difficulties following the transition. Any significant disruptions, delays, deficiencies, or errors in the design, implementation, and utilization of the ERP system could adversely affect our operations, including our ability to accurately report our financial results in a timely manner, file our quarterly or annual reports with the SEC, and invoice and collect from our customers, each of which may harm our operations and reduce investor confidence. Data integrity problems or other issues may be discovered once the transition is complete, which, if not corrected, could impact our business, reputation, reporting, disclosures or results of operations. If we encounter unforeseen difficulties with our new ERP system, there will be additional demands on our management team and our business, operations, and results of operations could be adversely affected.

We operate in a highly competitive industry and our business may suffer if we are unable to adequately address potential downward pricing pressures and other competitive factors.

The transportation industry is highly competitive. We face competition in all geographic markets and each industry sector in which we operate. Increased competition or our inability to compete successfully may lead to a reduction in revenues, reduced profit margins, increased pricing pressure, or a loss of market share, any one of which could affect our financial results. Numerous competitive factors could impair our ability to maintain our current profitability, including the following:

- our inability to obtain expected customer retention levels or profitability;
- we compete with many other transportation and logistics service providers, some of which have greater capital resources or lower cost structures than we do;
- our inability to compete with new entrants in the transportation and logistics market that may offer similar services at lower cost or have greater technological capabilities;
- customers may choose to provide the services we provide for themselves;
- our competitors may periodically reduce their prices to gain business, especially during times of declining economic growth, which may limit our ability to maintain or increase prices or impede our ability to maintain our profitability or grow our market share or profitability;
- many customers periodically accept bids from multiple carriers for their shipping needs, and this process may depress rates or result in the loss of some of our business to competitors;
- the continuing trend toward consolidation in the trucking industry may result in larger carriers with greater financial resources than we have;
- advances in technology require increased investments to remain competitive, and our customers may not be willing to accept higher prices to cover the cost of these investments; and
- because cost of capital is a significant competitive factor, any increase in either the cost of our debt or equity as a result of reductions in our debt rating or stock price volatility could have a significant impact on our competitive position.

Failure to execute our business strategy and develop, market and consistently deliver high-quality services efficiently that meet customer expectations may cause our revenue and earnings to suffer.

Our long-term business strategy is to target clients new to outsourced transportation and logistics services and thereby expand the market for our services and deliver those services efficiently. We seek to execute our strategy by providing operational excellence, superior talent and best-in-class information technology. By providing high-quality leasing services, we aim to attract customers that traditionally have only been interested in operating their own transportation and logistics networks.

To successfully execute on this strategy, we must continue to focus on developing innovative solutions that meet our existing and target customers' evolving needs and keep pace with our competitors. Expanding our service offerings to entice and support new clients may strain our management, capital resources, information systems and customer service. We may also need to hire new employees, which may increase costs and may result in temporary inefficiencies until those employees become proficient in their jobs.

Notwithstanding our efforts, new or enhanced service offerings may not meet customer demands, prove to be profitable or succeed in the long term. If we do not respond to current customer needs and establish new, and further develop existing, customer relationships, our ability to maintain a competitive advantage and continue to grow our business profitability could be negatively affected.

We and the vehicle equipment manufacturers in our FMS business rely on a small number of suppliers.

We buy vehicles and related equipment from a relatively small number of OEMs in our FMS business. Some of our vehicle manufacturers rely on a small concentration of suppliers for certain vehicle parts, components and equipment. A discrete event in a particular OEM's or supplier's industry or location, or adverse regional economic conditions impacting an OEM or supplier's ability to provide vehicles or a particular component, could adversely impact our FMS business and profitability. In addition, our business and reputation could also be negatively impacted if any parts, components or equipment from one of our suppliers suffer from broad-based quality control issues or become the subject of a product recall and we are unable to obtain replacement parts from another supplier in a timely manner. Although we believe we have alternative sources of supply for the equipment and other supplies used in our business, termination or significant alteration of our relationship with any of our key suppliers could have a material adverse effect on our business, financial condition or results of operations in the unlikely event that we were unable to obtain adequate equipment or supplies from other sources in a timely manner or at all.

We derive a significant portion of our SCS and DTS segment revenue from a relatively small number of customers.

During 2020, sales to our top ten SCS customers accounted for 53% of our SCS total revenue and 49% of our SCS operating revenue (total revenue less fuel and subcontracted transportation). Additionally, approximately 34% of our global SCS revenue is from the automotive industry and is directly impacted by automotive vehicle production. Our top ten DTS customers accounted for 44% of DTS total revenue and 40% of DTS operating revenue. The loss of any of these customers or a significant reduction in the services provided to any of these customers could materially and adversely impact our operating results. While we continue to focus our efforts on diversifying our customer base, we may not be successful in doing so.

We are also subject to credit risk associated with the concentration of our accounts receivable from our SCS and DTS customers. If one or more of these customers were to become bankrupt, insolvent or otherwise were unable to pay for the services provided by us, we may incur significant write-offs of accounts receivable or incur lease or asset impairment charges that could adversely affect our operating results and financial condition.

In addition, many of our customers operate in cyclical or seasonal industries, or operate in industries, including the food and beverage industry, that may be impacted by unanticipated weather, growing conditions (such as drought, insects or disease), natural disasters, pandemics, and other conditions over which we have no control. A downturn in our customers' businesses or unanticipated events impacting their businesses could cause a reduction in freight volume shipped by those customers or a reduction in their need for our services, which could materially and adversely affect our operating results and financial condition.

We may face difficulties in attracting and retaining drivers and technicians.

Drivers. We hire drivers primarily for our SCS and DTS business segments. There is significant competition for qualified drivers in the transportation industry. Additionally, interventions and enforcement under the CSA program may shrink the

industry's pool of drivers as those drivers with unfavorable scores may no longer be eligible to drive for us. As a result of driver shortages, we could be required to increase driver compensation, let trucks sit idle, utilize lower quality drivers or face difficulty meeting customer demands, all of which could adversely affect our growth and profitability.

Technicians. Similarly, we hire technicians in our FMS business segment to perform vehicle maintenance services on our ChoiceLease, SelectCare and rental fleets. In recent years, there has been a decrease in the overall supply of skilled maintenance technicians, particularly new technicians with qualifications from technical programs and schools, which could make it more difficult to attract and retain skilled technicians. If we are unable to maintain an adequate number of qualified technicians, whether through the retention of current technicians or the hiring of new qualified technicians, our business could be adversely affected.

Failure to successfully negotiate with our union employees may result in strikes, work stoppages, or substantially higher labor costs.

We have approximately 3,500 employees that are organized by labor unions whose wages and benefits are governed by 96 labor agreements that are renegotiated periodically. Disputes with regard to the terms of these agreements or our potential inability to negotiate acceptable contracts with these unions in the future could result in, among other things, a material work stoppage, slowdown or strike by the affected employees. If our workers were to engage in a work stoppage, strike or other slowdown, or other employees were to become unionized, or the terms and conditions in future labor agreements were renegotiated, we could experience a significant business disruptions or higher operating costs, which could have an adverse effect on our financial position, results of operations, or cash flows.

We intend to continue to explore strategic transactions. Our business could be adversely affected if we are not able to identify or successfully execute these strategic transactions.

In furtherance of our strategy, we routinely evaluate opportunities and may enter into agreements for possible strategic transactions, including acquisitions, partnerships or divestitures. We may be unable to identify strategic transactions or we may be unable to negotiate commercially acceptable terms. Other risks involved in engaging in these strategic transactions include the possible failure to realize the expected benefits of such transactions within the anticipated time frame, or at all, such as cost savings, synergies, sales and growth opportunities. In addition, the integration of an acquired business may result in material unanticipated challenges, expenses and liabilities. Any one of these factors could result in lower than expected revenues or earnings related to combining the companies or derived from a strategic transaction and could adversely impact our financial condition or results of operations.

Volatility in assumptions, discount rates, and asset values related to our pension plans may adversely affect the valuation of our obligations, the current funding levels and our pension expense under our defined benefit pension plans.

We historically sponsored a number of defined benefit plans for employees not covered by union-administered plans, including certain employees in foreign countries. The aggregate projected benefit obligations and plan assets of our global defined benefit pension plans as of December 31, 2020 were \$2.5 billion and \$2.3 billion, respectively. The funded status of the plans, equal to the difference between the present value of plan obligations and assets, is a significant factor in determining pension expense and the ongoing funding requirements of those plans. Macroeconomic factors, as well as changes in investment returns and discount rates used to calculate pension expense and related assets and liabilities, can be volatile and may have an unfavorable impact on our costs and funding requirements. Although we have actively sought to control increases in these costs and funding requirements through investment policies and plan contributions, there can be no assurance that we will succeed, and continued cost and funding requirement pressure could reduce the profitability of our business and negatively impact our cash flows.

We are subject to risk of multi-employer pension plan withdrawal.

We participate in certain U.S. multi-employer pension (MEP) plans that provide defined benefits to employees covered by collective bargaining agreements. In the event that we withdraw from participation in any of these plans, then applicable law could require us to make an additional lump-sum contribution to the plan. Our withdrawal liability for any MEP plan would depend on the extent of the plan's funding of vested benefits. Economic conditions have caused many MEP plans to be significantly underfunded. As a result, although we have taken steps in recent years to withdraw from significantly underfunded MEP plans, we may still have liability for at least a period of time following our withdrawal. If the financial condition of the MEP plans were to continue to deteriorate, we could be subject to additional assessments.

We may fail to establish sufficient insurance reserves to adequately cover workers' compensation and vehicle liabilities.

We are partially self-insured for vehicle liability and workers' compensation claims. Our self-insurance accruals are based on actuarially estimated, undiscounted cost of claims, which includes claims incurred but not reported. While we believe that our estimation processes are well designed and comply with generally accepted accounting principles in the United States, actuarial techniques and best practices, any projection of losses concerning workers' compensation and vehicle insurance is subject to a considerable degree of variability. The causes of this variability include litigation trends, claim settlement patterns, rising medical and other costs as well as fluctuations in the frequency or severity of accidents. If actual losses incurred are greater than those anticipated, our self-insurance reserves may be insufficient and additional costs could be recorded in our consolidated financial statements. If we suffer a substantial loss in excess of our self-insured limits, the loss and related expenses may be covered by traditional insurance and excess insurance the Company has in place, but if not covered or above such coverages, losses could harm our business, financial condition or results of operations. For a detailed discussion on our accounting policies and assumptions relating to our self-insurance reserves, please see the "Critical Accounting Estimates - Self-Insurance Accruals" section in Management's Discussion and Analysis of Financial Condition and Results of Operations.

We face litigation risks that could have a material adverse effect on the operation of our business.

We face litigation risks regarding a variety of issues, including without limitation, accidents involving our trucks and injuries to employees, alleged violations of federal and state labor and employment law including class-action lawsuits alleging wage and hour violations, independent contractor misclassification and improper pay, securities laws, environmental liability, commercial claims, cyber and other matters. These proceedings may be time-consuming, expensive and disruptive to normal business operations. The defense of such lawsuits could result in significant expense and the diversion of our management's time and attention from the operation of our business. In recent years, several insurance companies have stopped offering coverage to trucking companies and reduced capacity limits as a result of increases in the severity of automobile liability claims and higher costs of settlements and verdicts, causing the cost of such insurance to increase. This trend could adversely affect our ability to obtain suitable insurance coverage or further increase the cost for such coverage significantly, each of which may adversely affect our financial condition, results of operations, liquidity or cash flows. Costs we incur to defend or to satisfy a judgment or settlement of these claims may not be covered by insurance or could exceed the amount of that coverage or increase our insurance costs and could have a material adverse effect on our financial condition, results of operations, liquidity and cash flows.

We face risks related to cybersecurity attacks and other breaches of our systems and information technology.

We depend on the proper functioning and availability of our information systems in operating our business. It is important that the data processed by these systems remains confidential, as it often includes sensitive customer information, confidential customer transaction data, employee records, and key financial and operational results and statistics. Failure to prevent or mitigate data loss or system intrusions from cybersecurity attacks or other security breaches could expose us, our vendors, or our customers to a risk of loss or misuse of such information, adversely affect our operating results, restrict or prevent operations or financial reporting, result in litigation or potential liability and otherwise harm our business. Likewise, data privacy breaches from our systems could expose personally identifiable information of our employees or contractors, sensitive customer data, or vendor data to unauthorized persons, adversely impacting our customer service, employee relationships and our reputation. We maintain an information security program, which consists of industry standard safeguards and controls to help ensure that our core fundamentals of confidentiality, integrity and availability are supported, but we cannot ensure that we will be able to prevent or mitigate all such data breaches or cyberattacks.

In addition, some of our software applications are utilized by third parties who provide outsourced administrative functions. Such third parties may have access to information we maintain about our company, customers, employees and

vendors or operate systems that are critical to our business operations and services. While our information security program includes enhanced controls to monitor third party providers' security programs, these third parties are subject to risks imposed by data breaches, cyberattacks and other events or actions that could damage, disrupt or close down their networks or systems.

Our information systems are protected through physical and software safeguards as well as backup systems considered appropriate by management. However, threats to network and data security are becoming increasingly diverse and sophisticated. Both unsuccessful and successful cybersecurity attacks on companies have continued to increase in frequency, scope and potential harm in recent years, and cyber risks have increased due to the shift in remote work environments necessitated by COVID-19. We have experienced cybersecurity threats and vulnerabilities targeting our information technology systems and networks and those of our third party providers. Such prior events, to date, have not had a material impact on our financial condition or results of operations. While we have significant security processes and initiatives in place, we may be unable to fully detect, mitigate or protect against a material breach or disruption in the future. In addition, efforts to prevent, detect and mitigate data breaches and cyberattacks subject us to additional costs. We have cyber insurance coverage in place that we have previously used in connection with cyber events and that may cover certain events described above, subject to deductibles and coverage limitations. It is possible that future claims could exceed the limits of our coverage. Further, such insurance may not address or cover injury to reputation or loss of business that may result should such an attack be material.

In addition, regulatory authorities have increased their focus on how companies collect, process, use, store, share and transmit personal data. New privacy security laws and regulations, including the United Kingdom's Data Protection Act 2018, the European Union General Data Protection Regulation 2016, and the California Consumer Privacy Act, pose increasingly complex and rigorous compliance challenges, which may increase our compliance costs. Any failure to comply with data privacy laws and regulations could result in significant penalties, fines, legal challenges and reputational harm.

Regulatory Risks

We operate in a highly regulated industry, and changes in existing regulations or costs of compliance with, or liability for violation of, existing or future laws or regulations could have a material adverse effect on our business.

Our business is subject to regulation by various federal, state, local and foreign governmental agencies. In the United States, we are regulated by the DOT as well as local, state and federal agencies that exercise broad powers over our motor carrier operations, safety and the generation, handling, storage, treatment and disposal of waste materials. The FMCSA, under the DOT, also manages a compliance and enforcement initiative partnering with state agencies designed to monitor and improve commercial vehicle motor safety. We are also subject to other regulations relating to our business, employees and customers, including labor and employment laws, international laws and regulations governing our foreign operations, environmental laws and regulations, among others.

Compliance with existing laws and regulations has involved, and we expect will continue to involve, significant time commitments and costs, and in recent years, we have seen an increase in proactive regulatory enforcement. In addition, new laws, rules or regulations may be adopted or interpretative changes to existing regulations could be issued at any time. Any new initiatives could further increase our costs or operating complexity and our ability to offer certain services in the jurisdictions in which we operate.

Our failure to comply with any existing or future laws, rules or regulations to which we are, or may become subject, whether actual or alleged, could have a material adverse effect on our business and on our ability to access the capital required to operate our business. Among other things, any such failure could expose us to reputational harm, loss of business, fines, penalties or potential litigation liabilities, including costs, settlements and judgments, as well as the loss of operating authority and restrictions on our operations. For example, the DOT periodically conducts compliance reviews to ensure compliance with its safety and other rules and regulations, and evaluates the safety rating assessed to motor carriers ("satisfactory," "conditional" or "unsatisfactory"). The receipt of a final "conditional" or "unsatisfactory" safety rating due to deficiencies in our safety and compliance program could have a material adverse effect on our customer relationships, as some of our existing customer contracts require a "satisfactory" DOT safety rating. Moreover, if we fail to comply with DOT regulations, including our failure to maintain a "satisfactory" DOT safety rating, the DOT could levy fines and require us to cease all transportation services under our operating authority, which could have a material adverse effect on our business.

In addition, the FMCSA's enforcement and compliance programs, designed to monitor and improve commercial motor vehicle safety by measuring the safety record of both the motor carrier and the driver, may shrink the industry's pool of drivers. This and the shortage of qualified drivers could increase the costs to attract, train and retain qualified drivers as well as increase driver turnover, decrease asset utilization, limit growth, and adversely impact our results of operations.

Other compliance issues we may face include:

- companies we acquire may not have historically maintained internal controls, policies or procedures to monitor compliance with the regulatory and legal requirements consistent with our standards;
- our operations in Canada, Europe and Mexico may expose us to liability for failure to comply with local laws and regulatory requirements of foreign jurisdictions, which may vary significantly from country to country, including local tax laws, and anti-bribery laws;
- compliance with environmental laws and regulations, including regulations imposed by the EPA on exhaust emissions and increasingly stringent regulations related to climate change, which may impose restrictions on our activities or require us to take certain actions, all of which may, over time, increase our costs and adversely affect our business and results of operations;
- compliance with health and safety laws and regulations imposed by OSHA as well as state and local governments; and
- compliance with new laws or regulations that may change the employee/independent contractor classification of independent contractors doing business with us, which could cause us to incur additional exposure under federal and state tax and employment laws.

In addition, we are also subject to reputational risk and other detrimental business consequences associated with noncompliance by other parties with whom we engage with, such as employees, customers, agents, suppliers or other persons using our supply chain or assets to commit illegal acts, including the use of company assets for terrorist activities, or a breach of data privacy laws.

Our failure to comply with U.S. or foreign tax laws or a government challenging our tax position could adversely affect our business and future operating results.

We are affected by various U.S. federal, state and foreign tax laws, including income taxes and taxes imposed on the purchase, sale and lease of goods and services such as sales, excise, property, value-added tax, fuel, environmental and other taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. For example, significant judgment is required in determining our worldwide provision for income taxes. Our tax expense includes estimates of additional tax that may be incurred for tax exposures and reflects various estimates and assumptions, including assessments that could affect the valuation of our net deferred tax assets. Our operating results could be adversely affected by changes in the effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in our overall profitability, changes in tax legislation, the results of audits and examinations of previously filed tax returns and continuing assessments of our income and indirect tax exposures.

In addition, from time to time we are under audit by tax authorities in different jurisdictions with regards to income tax and indirect tax matters. Economic and political pressures to increase tax revenue in various jurisdictions may make resolving tax disputes favorably more difficult. Although we believe our tax estimates are reasonable, the final determination of tax audits and any other related tax proceedings in the jurisdictions where we are subject to taxation could be materially different from our historical income and indirect tax provisions and accruals.

Finally, changes in U.S. federal, state or international tax laws applicable to corporate multinationals, other tax reform currently being considered by many countries, including the U.S., and changes and clarifications in taxing jurisdictions' administrative interpretations, decisions, policies and positions may materially adversely impact our tax expense and cash flows. The U.S. Congress, the Organization for Economic Co-operation and Development, the European Union, and other government agencies in jurisdictions in which we and our affiliates invest or do business have maintained a focus on the taxation of multinational companies and have a number of on-going tax initiatives. If we are unable to successfully take actions to manage the adverse impacts of new tax legislation, or if additional interpretations, regulations, amendments or technical corrections exacerbate the adverse impacts of such legislation, the legislation could have a material adverse effect on our financial condition, results of operations and cash flows.

General Risk Factors

Our business may be affected by uncertainty or changes in U.S. or global social, political or regulatory conditions.

Adverse developments in laws, policies or practices in the U.S. and internationally can negatively impact our business and the business of our customers. Negative domestic and international global trade conditions as a result of social, political or regulatory changes or perceptions could materially affect our business, financial conditions and results of operations.

We provide services domestically and to a lesser extent outside of the U.S., which subjects our business to various additional risks, including:

- changes in tariffs, trade restrictions, trade agreements, and taxes;
- varying tax regimes, including consequences from changes in applicable tax laws;
- difficulties in managing or overseeing foreign operations and agents;
- foreign currency fluctuations and limitations on the repatriation of funds due to foreign currency controls;
- different liability standards;
- the price and availability of fuel;
- national and international conflict; and
- intellectual property laws of countries that do not protect our rights in intellectual property to the same extent as the laws of the U.S.

If we do not correctly anticipate changes in social, political or regulatory conditions or their impact on the transportation industry, we may not alter our business practices in time to avoid adverse effects. Additionally, the occurrence or consequences of any of these factors may restrict our ability to operate in the affected region and/or decrease the profitability of our operations in that region.

Our suppliers may also be affected by changes in the political and regulatory environment, both in the U.S. and internationally. Negative impacts on our suppliers could result in disruptions in the supply and availability of equipment or services needed for our business that could in turn affect our ability to operate and serve our customers as planned.

The market value of our common stock may fluctuate and could be substantially affected by various factors.

We expect that the market price of our common stock will continue to fluctuate due to a variety of factors, some of which are beyond our control. These factors include, among others:

- actual or anticipated variations in earnings, financial or reporting performance or liquidity;
- changes in analysts' recommendations or projections;
- failure to meet analysts' and our Company's projections;
- general political, social, economic and capital market conditions;
- announcements of developments or initiatives related to our business;
- operating and stock performance of other companies deemed to be peers;
- actions by government regulators; and
- news reports of trends, concerns and other issues related to us or our industry, including changes in regulations.

Our common stock price may fluctuate significantly in the future, and these fluctuations may be unrelated to our performance. General market price declines or market volatility in the future could adversely affect the price of our common stock, and the current market price of our common stock may not be indicative of future market prices.

We may be negatively impacted by adverse events in the global credit and financial markets, by an investment rating downgrade or by the loss of an investment grade rating.

Our FMS business is highly capital intensive and its profitability could be adversely affected if we are unable to obtain sufficient capital to fund its operations. In general, we rely in large part upon global credit and financial markets to fund our operations and contractual commitments as well as to refinance existing debt. These markets can experience high levels of volatility for numerous reasons and our access to capital could be constrained for extended periods of time. Our ability to raise capital may be materially reduced and/or our borrowing costs may significantly increase if, among other things, access to public investment grade debt becomes limited or closed, we lose access to our global revolving credit facility, or funding costs increase due to the loss of an investment grade rating, a severe economic downturn or rising interest rates. Significant uncertainty, volatility, disruptions or downturns in the global credit and financial markets may also result in:

- diminished liquidity and credit availability resulting in more stringent borrowing terms;
- decline in the price of our common shares as a result of a downgrade by security analysts;
- unanticipated interest rate and currency exchange rate fluctuations; and
- increased risk of default by counterparties under derivative instruments and hedging agreements.

As of December 31, 2020, we had \$6.6 billion of outstanding indebtedness. If we are unable to raise additional capital by accessing the debt and equity markets or our costs of raising additional capital were to materially increase, our ability to operate or grow our business, including refreshing, replacing and/or growing our vehicle fleets and acquiring new businesses, and refinance existing debt will be impaired, which could have a material adverse effect on our operating results or materially impact our ability to implement our long-term strategy.

Severe weather or other natural occurrences could result in significant business interruptions and expenditures in excess of available insurance coverage.

Our operations may be affected by external factors such as severe weather and other natural occurrences, including floods, fires, hurricanes and earthquakes at operating locations where we have vehicles, warehouses and other facilities. As a result, our vehicles and facilities may be damaged, our workforce may be unavailable, fuel costs may rise and significant business interruptions could occur. In addition, the performance of our vehicles could be adversely affected by extreme weather conditions. Insurance to protect against loss of business and other related consequences resulting from these natural occurrences is subject to coverage limitations, depending on the nature of the risk insured. This insurance may not be sufficient to cover all of our damages or damages to others and this insurance may not continue to be available at commercially reasonable rates. Even with insurance, if any natural occurrence leads to a catastrophic interruption of service, we may not be able to mitigate a significant interruption in operations.

Damage to our reputation through unfavorable publicity or the actions of our employees could adversely affect our financial condition.

Our success depends on our ability to consistently deliver operational excellence and strong customer service. Our inability to deliver our services and solutions as promised on a consistent basis, or our customers having a negative experience or otherwise becoming dissatisfied, can negatively impact our relationships with new or existing customers and adversely affect our brand and reputation, which could, in turn, adversely affect revenue and earnings growth. Adverse publicity (whether or not justified) relating to activities by our employees, contractors, agents or others with whom we do business, such as customer service mishaps or noncompliance with laws, could tarnish our reputation and reduce the value of our brand. With the increase in the use of social media outlets such as Facebook, YouTube, Instagram and Twitter, adverse publicity can be disseminated quickly and broadly, making it increasingly difficult for us to effectively respond. This unfavorable publicity could also require us to allocate significant resources to rebuild our reputation.

Future acts of terrorism, war or regulatory changes to combat the risk of terrorism may cause significant disruptions in our operations.

Terrorist attacks, along with any government response to those attacks, may adversely affect our financial condition, results of operations or liquidity. Our fleet, other key infrastructure and information technology systems may be targets or indirect casualties of acts of terror, other harmful acts, or war. Further, because transportation assets continue to be a target of terrorist activities, federal, state and local governmental bodies are proposing and, in some cases, have adopted legislation and regulations relating to security issues that impact the transportation industry, including checkpoints and travel restrictions on large trucks. If additional security measures disrupt or impede the timing of our operations, we may fail to meet the requirements of our customers or incur increased expenses to do so. In addition, complying with these or future regulations could continue to increase our operating costs and reduce operating efficiencies. We maintain insurance coverages addressing these risks and we have received U.S. Patriot Act protections for our security practices related to the rental of our assets. However, such insurance may be inadequate or become unavailable, premiums charged for some or all of the insurance could increase dramatically, regulations may change or U.S. Patriot Act protections could be reduced. These changes could exacerbate the effects of an act of terrorism on our business, resulting in a significant business interruption, increased costs and liabilities and decreased revenues or an adverse impact on results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our properties consist primarily of vehicle maintenance and repair facilities, warehouses and other real estate and improvements.

We maintain 612 FMS properties in the U.S., Puerto Rico and Canada; we own 417 of these and lease the remaining properties. Our FMS properties are primarily comprised of maintenance facilities generally including a repair shop, rental counter, fuel service island, administrative offices, and used vehicle retail sales centers.

Additionally, we manage 180 on-site maintenance facilities, located at customer locations.

We also maintain 269 locations in the U.S. and Canada in connection with our domestic SCS business. Almost all of our SCS locations are leased and generally include a warehouse and administrative offices.

We maintain 84 international locations (locations outside of the U.S. and Canada) for our international businesses. There are 46 locations in the U.K. and Germany, and 38 locations in Mexico. The majority of these locations are leased and may be a repair shop, warehouse or administrative office.

Additionally, we maintain 13 U.S. locations primarily used for Central Support Services. These facilities are generally administrative offices, of which we own five and lease the remaining locations.

ITEM 3. LEGAL PROCEEDINGS

We are involved in various claims, lawsuits and administrative actions arising in the normal course of our businesses. Some involve claims for substantial amounts of money and/or claims for punitive damages. While any proceeding or litigation has an element of uncertainty, management believes that the disposition of such matters, in the aggregate, will not have a material impact on our consolidated financial condition or liquidity. Refer to Note 21, "Contingencies and Other Matters", for additional information regarding our legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

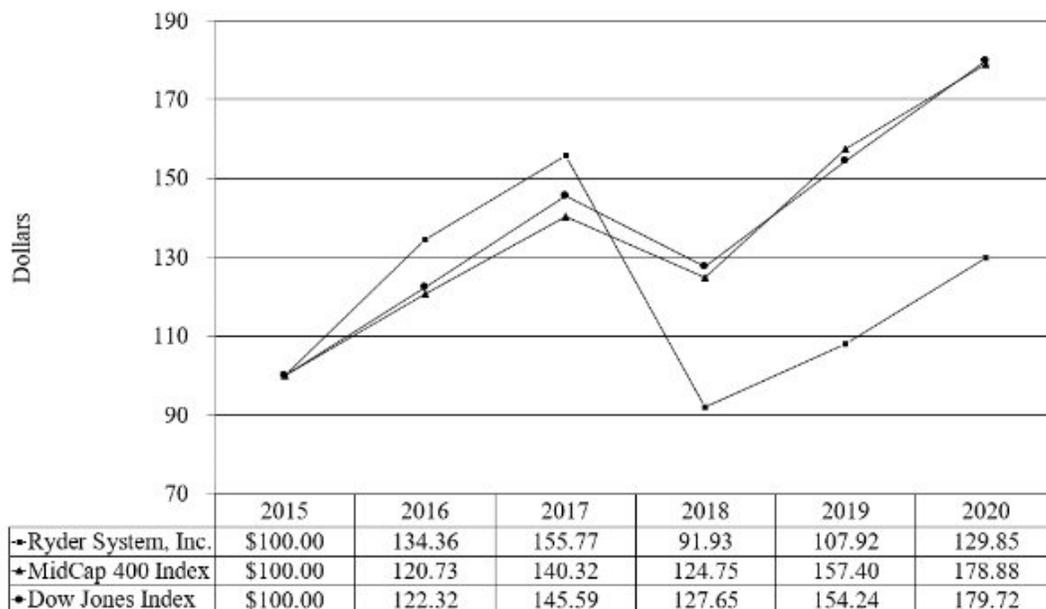
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Ryder Common Stock

Our common shares are listed on the New York Stock Exchange under the trading symbol "R." As of January 31, 2021, there were 5,909 common stockholders of record.

Performance Graph

The following graph compares the performance of our common stock with the performance of the Standard & Poor's MidCap 400 Index and the Dow Jones Transportation 20 Index for a five year period by measuring the changes in common stock prices from December 31, 2015 to December 31, 2020.



The stock performance graph assumes for comparison that the value of our common stock and of each index was \$100 on December 31, 2015 and that all dividends were reinvested. Past performance is not necessarily an indicator of future results.

Purchases of Equity Securities

The following table provides information with respect to purchases we made of our common stock during the quarter ended December 31, 2020:

	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs ⁽²⁾	Maximum Number of Shares That May Yet Be Purchased Under the Anti-Dilutive Programs ⁽²⁾
October 1 through October 31, 2020	57	\$ 44.06	—	1,196,902
November 1 through November 30, 2020	333,900	51.77	333,900	863,002
December 1 through December 31, 2020	457	63.59	—	863,002
Total	334,414	\$ 51.79	333,900	

- (1) During the three months ended December 31, 2020, we purchased an aggregate of 514 shares of our common stock in employee-related transactions. Employee-related transactions may include: (1) shares of common stock delivered as payment for the exercise price of options exercised or to satisfy the tax withholding liability associated with our share-based compensation programs and (2) open-market purchases by the trustee of Ryder's deferred compensation plans relating to investments by employees in our stock, one of the investment options available under the plans.
- (2) In December 2019, our Board of Directors authorized a new share repurchase program intended to mitigate the dilutive impact of shares issued under our employee stock plans. Under the December 2019 program, management is authorized to repurchase up to 1.5 million shares of common stock issued to employees under our employee stock plans from December 1, 2019 to December 11, 2021. Share repurchases are made periodically in open-market transactions using the Company's working capital, and are subject to market conditions, legal requirements, and other factors. In addition, management has been granted the authority to establish prearranged written trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934 as part of the repurchase program. In the second quarter of 2020, we decided to temporarily suspend the December 2019 program due to the impact of COVID-19, however we recommenced share repurchases in the fourth quarter of 2020.

ITEM 6. SELECTED FINANCIAL DATA

Reserved

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with our consolidated financial statements and related notes contained in Item 8 of this Annual Report on Form 10-K. The following MD&A describes the principal factors affecting results of operations, financial resources, liquidity, contractual cash obligations and critical accounting estimates. This section of the Form 10-K generally discusses 2020 and 2019 items and year-to-year comparisons between 2020 and 2019. Discussions of 2018 items and year-to-year comparisons between 2019 and 2018 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

OVERVIEW

Ryder is a leading logistics and transportation company. Our operating segments are aggregated into reportable business segments based upon similar economic characteristics, products, services, customers and delivery methods. We report our financial performance based on three business segments: (1) Fleet Management Solutions (FMS), which provides full service leasing and leasing with flexible maintenance options, commercial rental, and maintenance services of trucks, tractors and trailers to customers principally in the United States (U.S.), Canada and the United Kingdom (U.K.); (2) Supply Chain Solutions (SCS), which provides integrated logistics solutions, including distribution management, dedicated transportation, transportation management, last mile and professional services in North America; and (3) Dedicated Transportation Solutions (DTS), which provides turnkey transportation solutions in the U.S. that includes dedicated vehicles, drivers, management and administrative support. Dedicated transportation services provided as part of an operationally integrated, multi-service, supply chain solution to SCS customers are primarily reported in the SCS business segment.

The FMS business, our largest segment, had total revenue and assets in 2020 of \$5.2 billion and \$11.3 billion, respectively, representing 55% of our consolidated revenue (excluding eliminations) and 87% of consolidated assets. SCS total revenue and assets in 2020 were \$2.5 billion and \$1.3 billion, respectively, representing 30% of our consolidated revenue and 10% of consolidated assets. DTS total revenue and assets in 2020 were \$1.2 billion and \$0.3 billion, respectively, representing 15% of our consolidated revenue and 2% of consolidated assets. In 2020, we have revised our definition of operating revenue to exclude revenue related to liability insurance coverage for ChoiceLease customers as we announced our plan to exit this product line in early 2020. Prior year amounts have been revised to conform to current year presentation.

We operate in highly competitive markets. Our customers select us based on numerous factors including service quality, price, technology and service offerings. As an alternative to using our services, customers may choose to provide these services for themselves or may choose to obtain similar services from other third-party vendors. Our customer base includes enterprises operating in a variety of industries including food and beverage service (22%), transportation and logistics (21%), retail and consumer goods (11%), automotive (10%), industrial (8%), housing (7%), technology (6%), business and personal services (5%) and other (10%).

Our results of operations and financial condition are influenced by a number of factors including, but not limited to: used vehicle sales; macroeconomic and other market conditions, including pricing and demand; customer contracting activity and retention; rental demand; maintenance costs; residual value estimates and other depreciation changes; currency exchange rate fluctuations; customer preferences; inflation; fuel and energy prices; general economic conditions; insurance costs; interest rates; labor costs; unemployment; tax rates; changes in accounting or regulatory requirements; and cybersecurity attacks. This MD&A includes certain forward-looking statements regarding our 2021 outlook. These statements are based on our current plans and expectations and are subject to risks, uncertainties and assumptions. We caution readers that certain important factors could cause actual results and events to differ significantly from those expressed.

Additionally, in 2020, our business has been, and may continue to be, impacted by the coronavirus (COVID-19) pandemic. For a detailed discussion of its impact on our results of operations, financial condition and future considerations, refer to our "Consolidated Results" and "Operating Results by Business Segment" discussions below and Note 1, "Summary of Significant Accounting Policies" in the Notes to Consolidated Financial Statements. In addition, for a detailed description of certain risk factors that impact our business, including those related to the COVID-19 pandemic, refer to "Item 1A-Risk Factors" and "Special Note Regarding Forward-Looking Statements" sections included in this Annual Report.

This MD&A includes certain non-GAAP financial measures. Please refer to the "Non-GAAP Financial Measures" section of this MD&A for information on these non-GAAP measures, including reconciliations to the most comparable GAAP financial measure and the reasons why we believe each measure is useful to investors.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

The following discussion provides a summary of financial highlights that are discussed in more detail throughout our MD&A and within the Notes to Consolidated Financial Statements:

	2020	2019	2018	2020/2019	Change 2019/2018
	(In thousands, except per share amounts)				
Total revenue	\$ 8,420,091	\$ 8,925,801	\$ 8,413,946	(6)%	6%
Operating revenue ⁽¹⁾	7,024,039	7,189,072	6,669,896	(2)%	8%
Earnings (loss) from continuing operations before income taxes (EBT) ⁽²⁾	\$ (130,360)	\$ (42,271)	\$ 389,469	NM	NM
Comparable EBT ^{(1) (2)}	(28,814)	56,089	418,862	NM	(87)%
Earnings (loss) from continuing operations ⁽²⁾	(111,996)	(23,272)	286,922	NM	NM
Comparable earnings from continuing operations ^{(1) (2)}	(13,793)	53,554	314,781	NM	(83)%
Net earnings (loss)	(122,250)	(24,410)	284,613	NM	NM
Comparable EBITDA ^{(1) (4)}	2,258,258	2,243,399	2,017,877	1%	11%
Earnings (loss) per common share (EPS) — Diluted					
Continuing operations	\$ (2.15)	\$ (0.45)	\$ 5.43	NM	NM
Comparable ⁽¹⁾	(0.27)	1.01	5.95	NM	(83)%
Net earnings (loss)	(2.34)	(0.47)	5.38	NM	NM
Debt to equity	293%	320%	262%		
Adjusted return on equity ⁽¹⁾	(1.3)%	0.3%	12.7%		
Net cash provided by operating activities from continuing operations	\$ 2,181,303	\$ 2,140,539	\$ 1,717,993		
Free cash flow ⁽¹⁾	1,587,010	(1,076,654)	(936,094)		
Total capital expenditures ⁽³⁾	1,070,046	3,620,423	3,165,271		

NM - Denotes Not Meaningful throughout the MD&A

- (1) Non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section of this MD&A for reconciliations of the most comparable GAAP measure to the non-GAAP financial measure and the reasons why management believes this measure is important to investors.
- (2) Includes additional accelerated and policy depreciation of \$491 million and \$416 million in 2020 and 2019, respectively, from the impact of prior residual value estimate changes. These amounts include (gains) losses on used vehicles sales, net of (\$0.4) million and \$59 million in 2020 and 2019, respectively. Refer to Note 5, "Revenue Earning Equipment, net" in the Notes to the Consolidated Financial Statements for further information on prior residual value estimate changes and used vehicle sales results.
- (3) Includes capital expenditures that have been accrued, but not yet paid.
- (4) Comparable EBITDA has been recast to exclude gains/losses from the sale of used vehicles.

In 2020, total revenue decreased 6% to \$8.4 billion primarily due to lower fuel revenue and operating revenue. Operating revenue (a non-GAAP measure excluding fuel and subcontracted transportation) decreased 2% to \$7.0 billion due to lower revenue in all of our business segments, including the impact of the economic slowdown from the COVID-19 pandemic particularly in our commercial rental (FMS) and automotive (SCS) businesses.

The following table summarizes the components of the change in revenue on a percentage basis versus the prior year:

	2020/2019	
	Total	Operating ⁽¹⁾
Organic, including price and volume	(2)%	(2)%
Fuel	(3)%	—%
Subcontracted transportation	(1)%	—%
Total increase (decrease)	(6)%	(2)%

- (1) Non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section of this MD&A for reconciliations of the most comparable GAAP measure to the non-GAAP financial measure and the reasons why management believes this measure is important to investors.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

EBT and comparable EBT decreased primarily due to higher depreciation expense of \$75 million related to prior residual value estimate changes. EBT and comparable EBT in 2020 also included negative estimated impacts from the COVID-19 pandemic of approximately \$70 million in the first half of 2020, which was net of temporary cost savings of approximately \$35 million, offset by improved ChoiceLease results in FMS and operating performance in SCS.

The COVID-19 pandemic has negatively impacted several areas of our businesses. In our FMS business segment, we experienced lower demand for commercial rental and declines in the used vehicle market through the second quarter (refer to Note 5, "Revenue Earning Equipment, net," in the Notes to Consolidated Financial Statements for additional information on residual value estimate changes in the first half of 2020 and trends related to used vehicle sales). During the second half of 2020, we started to experience a steady recovery in these areas as compared to the second quarter. In our SCS business segment, we experienced a deterioration in customer activity during the first half of 2020, primarily due to the temporary shutdowns in the automotive industry, which restarted their operations during the second quarter and are generally operating at normal levels. In addition, we experienced a slowdown in our sales growth opportunities in all of our businesses primarily through the third quarter. We established additional credit loss reserves during the year due to our expectations for COVID-19-related payment activity as a result of increased bankruptcies or insolvencies, or a delay in payments. We have attempted to mitigate the adverse impacts from the pandemic through cost reduction measures, including lower discretionary and overhead spending, and a reduction in capital expenditures, as well as temporary employee furloughs which primarily occurred in the second quarter. In addition, we took actions to reduce headcount at the end of the second quarter, primarily in our North American and U.K. FMS operations.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, provides for an acceleration of alternative minimum tax credit refunds, the deferral of certain employer payroll taxes, the availability of an employee retention credit, and expands the availability of net operating loss usage. In addition, other governments in state, local and foreign jurisdictions in which we operate have also enacted certain relief measures. We continue to monitor new and updated legislation, however the provisions enacted have not had a material impact on our financial statements or liquidity position.

While we are experiencing positive momentum in the second half of 2020, any further negative effects of the pandemic may have an impact on our business and financial results, as well as on significant judgments and estimates, including those related to goodwill and other asset impairments, residual values and other depreciation assumptions, deferred income taxes and annual effective tax rates, variable revenue considerations, the valuation of our pension plans, and allowance for credit losses.

Cash provided by operating activities increased reflecting slightly lower working capital needs in 2020. Free cash flow (a non-GAAP financial measure) increased primarily due to lower capital expenditures. Total capital expenditures decreased in 2020 reflecting lower investments in the ChoiceLease and rental fleets as a result of reduced sales activity and rental demand.

As of December 31, 2020, our debt balance decreased 17% from the prior year to \$6.6 billion reflecting a decrease in capital spending, as well as the early redemption of two medium-term notes.

Adjusted return on equity (ROE) was (1.3)% and 0.3% in 2020 and 2019, respectively. Our interim target is 11% and long-term target over the cycle is 15%. The diminishing impact from the 2019 and 2020 residual value estimate changes and rental recovery are expected to contribute substantially to improving ROE in addition to other return improvement initiatives.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

FULL YEAR CONSOLIDATED RESULTS

Lease & Related Maintenance and Rental

				Change	
	2020	2019	2018	2020/2019	2019/2018
	(In thousands)				
Lease & related maintenance and rental revenues	\$ 3,704,045	\$ 3,784,744	\$ 3,512,867	(2)%	8%
Cost of lease & related maintenance and rental	<u>3,108,766</u>	<u>3,103,703</u>	<u>2,555,358</u>	—%	21%
Gross margin	\$ 595,279	\$ 681,041	\$ 957,509	(13)%	(29)%
Gross margin %	16%	18%	27%		

Lease & related maintenance and rental revenues represent ChoiceLease and commercial rental product offerings within our FMS business segment. Revenues decreased 2% in 2020 primarily due to lower commercial rental revenue, partially offset by higher ChoiceLease revenue. The decline in commercial rental revenue was due to reduced demand, including impacts from the COVID-19 pandemic. ChoiceLease revenue in 2020 benefited from higher pricing as well as average active fleet growth.

Cost of lease & related maintenance and rental represents the direct costs related to lease & related maintenance and rental revenues and are comprised of depreciation of revenue earning equipment, maintenance costs (primarily repair parts and labor), and other costs such as licenses, insurance and operating taxes. Cost of lease & related maintenance and rental excludes interest costs from vehicle financing, which are reported within "Interest expense" in our Consolidated Statements of Earnings. Cost of lease & related maintenance and rental remained flat in 2020 due to higher depreciation expense from residual value estimate changes in the first half of 2020 and 2019, offset by lower maintenance and other costs due to less activity as a result of the COVID-19 pandemic, as well as our maintenance cost savings initiatives. Refer to "Critical Accounting Estimates" below and Note 5, "Revenue Earning Equipment, net" in the Notes to Consolidated Financial Statements for additional information on the residual value estimate changes in 2020, which primarily impacted our FMS business segment.

Lease & related maintenance and rental gross margin decreased 13% and gross margin as a percentage of revenue decreased to 16% in 2020. The decrease was primarily due to higher depreciation as a result of our prior residual value estimate changes and lower commercial rental revenue and utilization.

Services

				Change	
	2020	2019	2018	2020/2019	2019/2018
	(In thousands)				
Services revenue	\$ 4,317,992	\$ 4,555,692	\$ 4,280,834	(5)%	6%
Cost of services	<u>3,653,088</u>	<u>3,879,863</u>	<u>3,663,348</u>	(6)%	6%
Gross margin	\$ 664,904	\$ 675,829	\$ 617,486	(2)%	9%
Gross margin %	15%	15%	14%		

Services revenue represents all the revenues associated with our SCS and DTS business segments, as well as SelectCare and fleet support services associated with our FMS business segment. Services revenue decreased 5% in 2020, primarily driven by temporary production shutdowns due to COVID-19 in our automotive vertical in SCS in the second quarter, lower subcontracted transportation revenues and lower sales in DTS. These decreases were partially offset by new business and higher pricing in SCS.

Cost of services represents the direct costs related to services revenue and is primarily comprised of salaries and employee-related costs, subcontracted transportation (purchased transportation from third parties), fuel, vehicle liability costs and maintenance costs. Cost of services decreased 6% in 2020, primarily due to lower activity related to COVID-19 in SCS and DTS and lower sales in DTS, as well as lower favorable insurance claim developments in 2020.

Services gross margin decreased 2% in 2020. Services gross margin as a percentage of revenue remained consistent with 2019.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

Fuel

	2020	2019	2018	2020/2019	Change 2019/2018
	(In thousands)				
Fuel services revenue	\$ 398,054	\$ 585,365	\$ 620,245	(32)%	(6)%
Cost of fuel services	382,749	571,658	605,613	(33)%	(6)%
Gross margin	\$ 15,305	\$ 13,707	\$ 14,632	12%	(6)%
Gross margin %	4%	2%	2%		

Fuel services revenue represents fuel services provided to our FMS customers. Fuel services revenue decreased 32% in 2020 primarily reflecting lower fuel costs passed through to customers and lower gallons sold as a result of COVID-19.

Cost of fuel services includes the direct costs associated with providing our customers with fuel. These costs include fuel, salaries and employee-related costs of fuel island attendants and depreciation of our fueling facilities and equipment. Cost of fuel services decreased 33% in 2020 as a result of lower fuel costs and lower gallons sold.

Fuel services gross margin increased 12% in 2020. Fuel services gross margin as a percentage of revenue increased to 4% in 2020. Fuel is largely a pass-through to customers for which we realize minimal changes in margin during periods of steady market fuel prices. However, fuel services margin is impacted by sudden increases or decreases in market fuel prices during a short period of time, as customer pricing for fuel is established based on trailing market fuel costs. Fuel services gross margin was impacted by these price change dynamics, including the impacts of COVID-19, as fuel prices fluctuated during the period.

Other operating expenses

	2020	2019	2018	2020/2019	Change 2019/2018
	(In thousands)				
Other operating expenses	\$ 123,420	\$ 121,980	\$ 123,964	1%	(2)%

Other operating expenses include costs related to our owned and leased facilities within the FMS business segment, such as facility depreciation, rent, purchased insurance, utilities and taxes. These facilities are utilized to provide maintenance to our ChoiceLease, commercial rental, and SelectCare customers. Other operating expenses remained consistent with 2019.

Selling, general and administrative expenses

	2020	2019	2018	2020/2019	Change 2019/2018
	(In thousands)				
Selling, general and administrative expenses (SG&A)	\$ 921,573	\$ 907,449	\$ 849,410	2%	7%
Percentage of total revenue	11%	10%	10%		

SG&A expenses increased 2% in 2020. The increase in 2020 was primarily driven by higher compensation related expenses, including a one-time, special recognition and retention bonus of approximately \$28 million for our front-line non-incentive compensation plan eligible employees in recognition of the work performed during the pandemic, and higher bad debt expense, partially offset by cost savings related to temporary employee furloughs that occurred primarily in the second quarter and lower travel expenses. SG&A expenses as a percentage of total revenue remained relatively flat at 11% in 2020.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

Non-operating pension costs

				Change	
	2020	2019	2018	2020/2019	2019/2018
	(In thousands)				
Non-operating pension costs	\$ 11,167	\$ 60,406	\$ 7,541	(82)%	NM

Non-operating pension costs includes the components of our net periodic benefit cost other than service cost. These components include interest cost, expected return on plan assets and amortization of actuarial loss and prior service cost, as well as settlement or curtailment charges. Non-operating pension costs decreased by \$49 million in 2020 due to a pension settlement charge of \$32 million related to employee benefit settlements from the U.S. pension plan recorded in 2019, favorable asset returns in 2019 and a decrease in interest rates. This decrease was offset by a curtailment loss of \$9 million recognized in the second half of 2020 as a result of a freeze of substantially all of the remaining active participants in our pension plans.

Used vehicle sales, net

				Change	
	2020	2019	2018	2020/2019	2019/2018
	(In thousands)				
(Gains) losses on used vehicle sales, net	\$ (414)	\$ 58,706	\$ 22,325	NM	NM

Used vehicle sales, net includes gains and losses from sales of used vehicles, selling costs associated with used vehicles and write-downs of vehicles held for sale to fair market value (referred to as "valuation adjustments"). Losses on used vehicle sales, net decreased in 2020 primarily due to lower valuation adjustments and higher gains on sales of used vehicles as compared to the prior year.

Average proceeds per unit in 2020 for tractors decreased from the prior year reflecting higher sales volumes in the wholesale markets, which generally has lower proceeds per unit, and lower retail pricing as compared to the prior year. Average proceeds per unit for trucks increased from the prior year reflecting higher retail pricing as compared to the prior year. The following table presents the used vehicle proceeds per unit change compared with the prior year:

	Proceeds per unit change ⁽¹⁾	
	2020/2019	
Tractors	(14)%	
Trucks	3%	

(1) Represents percentage change compared to prior year period in average sales proceeds on used vehicle sales using constant currency.

Interest expense

				Change	
	2020	2019	2018	2020/2019	2019/2018
	(In thousands)				
Interest expense	\$ 261,342	\$ 241,381	\$ 180,488	8%	34%
Effective interest rate	3.6%	3.3%	3.0%		

Interest expense increased 8% to \$261 million in 2020 primarily reflecting higher average outstanding debt, including a higher portion of fixed rate debt, and prepayment penalties of \$9 million related to two medium-term notes originally maturing in 2021. The increase in average outstanding debt reflects higher vehicle capital spending in 2019 and additional borrowings under our trade receivable program and global revolving credit facility in the first half of 2020.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

Miscellaneous income, net

	2020	2019	2018	2020/2019	Change 2019/2018
	(In thousands)				
Miscellaneous (income) loss, net	\$ (21,855)	\$ (33,642)	\$ (5,422)	(35)%	NM

Miscellaneous (income) loss, net consists of investment income on securities used to fund certain benefit plans, interest income, gains on sales of operating property, foreign currency transaction remeasurement and other non-operating items. Miscellaneous (income) loss, net was income of \$22 million in 2020 as compared to income of \$34 million in the prior year reflecting lower gains on sale of properties in 2020.

Restructuring and other items, net

	2020	2019	2018	2020/2019	Change 2019/2018
	(In thousands)				
Restructuring and other items, net	\$ 110,615	\$ 56,568	\$ 21,852	96%	NM

Refer to Note 20, "Other Items Impacting Comparability" in the Notes to Consolidated Financial Statements for a discussion of restructuring charges and other fees.

Provision for income taxes

	2020	2019	2018	2020/2019	Change 2019/2018
	(In thousands)				
Provision for (benefit from) income taxes	\$ (18,364)	\$ (18,999)	\$ 102,547	(3)%	NM
Effective tax rate from continuing operations	(14.1)%	(44.9)%	26.3%		
Comparable tax rate on continuing operations ⁽¹⁾	(52.1)%	4.5%	24.8%		

⁽¹⁾ Non-GAAP Financial Measure. Refer to the "Non-GAAP Financial Measures" section for a reconciliation of the effective tax rate from continuing operations to the comparable tax rate on continuing operations and the reasons why management believes these measures are important to investors.

Refer to our discussion of the changes in our provision for income taxes and effective tax rate from continuing operations in Note 10, "Income Taxes".

Discontinued Operations

	2020	2019	2018	2020/2019	Change 2019/2018
	(In thousands)				
Earnings (loss) from discontinued operations, net of tax	\$ (10,254)	\$ (1,138)	\$ (2,309)	NM	(51)%

In 2020, we accrued \$8 million related primarily to adverse developments in several cases related to payments for transportation services in Brazil.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

FULL YEAR OPERATING RESULTS BY BUSINESS SEGMENT

	2020	2019	2018	2020/2019	Change 2019/2018
	(In thousands)				
Revenue:					
Fleet Management Solutions	\$ 5,170,467	\$ 5,571,403	\$ 5,258,693	(7)%	6%
Supply Chain Solutions	2,544,420	2,551,271	2,398,144	—%	6%
Dedicated Transportation Solutions	1,229,374	1,417,483	1,333,313	(13)%	6%
Eliminations	(524,170)	(614,356)	(576,204)	15%	(7)%
Total	<u>\$ 8,420,091</u>	<u>\$ 8,925,801</u>	<u>\$ 8,413,946</u>	(6)%	6%
Operating Revenue: ⁽¹⁾					
Fleet Management Solutions	\$ 4,577,576	\$ 4,719,781	\$ 4,382,818	(3)%	8%
Supply Chain Solutions	1,870,366	1,879,965	1,765,336	(1)%	6%
Dedicated Transportation Solutions	929,247	972,694	870,537	(4)%	12%
Eliminations	(353,150)	(383,368)	(348,795)	8%	(10)%
Total	<u>\$ 7,024,039</u>	<u>\$ 7,189,072</u>	<u>\$ 6,669,896</u>	(2)%	8%
Earnings (loss) from continuing operations before income taxes:					
Fleet Management Solutions	\$ (141,957)	\$ (70,274)	\$ 340,038	NM	NM
Supply Chain Solutions	159,940	145,060	130,262	10%	11%
Dedicated Transportation Solutions	73,442	81,149	61,236	(9)%	33%
Eliminations	(42,801)	(50,732)	(63,593)	16%	20%
	<u>48,624</u>	<u>105,203</u>	<u>467,943</u>	(54)%	(78)%
Unallocated Central Support Services	(77,438)	(49,114)	(49,081)	(58)%	—%
Non-operating pension costs	(11,167)	(60,406)	(7,541)	82%	NM
Other items impacting comparability, net ⁽²⁾	(90,379)	(37,954)	(21,852)	NM	(74)%
Earnings (loss) from continuing operations before income taxes	<u>\$ (130,360)</u>	<u>\$ (42,271)</u>	<u>\$ 389,469</u>	NM	NM

(1) *Non-GAAP financial measures. Refer to the "Non-GAAP Financial Measures" section of this MD&A for a reconciliation of total revenue to operating revenue and segment total revenue to segment operating revenue for FMS, SCS and DTS, as well as the reasons why management believes these measures are important to investors.*

(2) *Refer to Note 20, "Other Items Impacting Comparability," and below for a discussion of items excluded from our primary measure of segment performance.*

As part of management's evaluation of segment operating performance, we define the primary measurement of our segment financial performance as "Earnings from continuing operations before taxes" (EBT), which includes an allocation of costs from Central Support Services (CSS) and excludes non-operating pension costs and certain other items as discussed in Note 20, "Other Items Impacting Comparability," in the Notes to Consolidated Financial Statements. CSS represents those costs incurred to support all business segments, including finance and procurement, corporate services, human resources, information technology, public affairs, legal, marketing and corporate communications. To be consistent with current year management presentation, certain costs within CSS were reclassified in 2019 and 2018.

The objective of the EBT measurement is to provide clarity on the profitability of each business segment and, ultimately, to hold leadership of each business segment accountable for their allocated share of CSS costs. Segment results are not necessarily indicative of the results of operations that would have occurred had each segment been an independent, stand-alone entity during the periods presented. Certain costs are not attributable to any segment and remain unallocated in CSS, including costs for investor relations, public affairs and certain executive compensation. Refer to Note 23, "Segment Reporting," in the Notes to Consolidated Financial Statements for a description of the methodology for allocating the remainder of CSS costs to the business segments.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

Our FMS segment leases revenue earning equipment, as well as provides rental vehicles, fuel, maintenance and other ancillary services to the SCS and DTS segments. EBT related to inter-segment equipment and services billed to SCS and DTS customers (equipment contribution) are included in both FMS and the segment that served the customer and then eliminated upon consolidation (presented as "Eliminations"). Inter-segment EBT allocated to SCS and DTS includes earnings related to equipment used in providing services to SCS and DTS customers. Refer to Note 23, "Segment Reporting" in the Notes to Consolidated Financial Statements for additional information.

The following table sets forth equipment contribution included in EBT for our SCS and DTS business segments:

	2020	2019	2018	Change	
	(In thousands)			2020/2019	2019/2018
Equipment Contribution:					
Supply Chain Solutions	\$ 17,457	\$ 22,267	\$ 27,067	(22)%	(18)%
Dedicated Transportation Solutions	25,344	28,465	36,526	(11)%	(22)%
Total ⁽¹⁾	<u>\$ 42,801</u>	<u>\$ 50,732</u>	<u>\$ 63,593</u>	(16)%	(20)%

(1) Total amount is included in FMS EBT.

SCS and DTS equipment contribution decreased 22% and 11%, respectively, in 2020, primarily related to the higher impact associated with the prior residual value estimate changes on vehicles used to provide services to SCS and DTS customers.

The following table provides items excluded from our segment EBT measure and their classification within our Consolidated Statements of Earnings:

Description	Classification	2020	2019	2018
		(In thousands)		
Restructuring and other, net ⁽¹⁾	Restructuring and other items, net	\$ (76,364)	\$ (35,308)	\$ (5,597)
ERP implementation costs ⁽¹⁾	Restructuring and other items, net	(34,251)	(21,260)	(742)
Gains on sale of properties ⁽¹⁾	Miscellaneous (income) loss, net	5,418	18,614	—
Early redemption of medium-term notes ⁽¹⁾	Interest expense	(8,999)	—	—
Goodwill impairment ⁽²⁾	Restructuring and other items, net	—	—	(15,513)
ChoiceLease liability insurance revenue ⁽¹⁾	Revenue	23,817	—	—
Other items impacting comparability, net		(90,379)	(37,954)	(21,852)
Non-operating pension costs ⁽³⁾	Non-operating pension costs	(11,167)	(60,406)	(7,541)
		<u>\$ (101,546)</u>	<u>\$ (98,360)</u>	<u>\$ (29,393)</u>

(1) Refer to Note 20, "Other Items Impacting Comparability," in the Notes to Consolidated Financial Statements for additional information.

(2) Refer to Note 10, "Goodwill," in the Notes to Consolidated Financial Statements for additional information.

(3) Refer to Note 18, "Employee Benefit Plans," in the Notes to Consolidated Financial Statements for additional information.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

Fleet Management Solutions

				Change	
	2020	2019	2018	2020/2019	2019/2018
	(In thousands)				
ChoiceLease	\$ 3,159,909	\$ 3,077,051	\$ 2,832,046	3%	9%
SelectCare	514,310	541,358	502,835	(5)%	8%
Commercial rental	834,232	1,009,086	960,606	(17)%	5%
Other	69,125	92,286	87,331	(25)%	6%
Fuel services revenue	569,074	816,362	847,655	(30)%	(4)%
ChoiceLease liability insurance ⁽¹⁾	23,817	35,260	28,220	(32)%	25%
FMS total revenue ⁽²⁾	<u>\$ 5,170,467</u>	<u>\$ 5,571,403</u>	<u>\$ 5,258,693</u>	(7)%	6%
FMS operating revenue ⁽³⁾	<u>\$ 4,577,576</u>	<u>\$ 4,719,781</u>	<u>\$ 4,382,818</u>	(3)%	8%
FMS EBT	<u>\$ (141,957)</u>	<u>\$ (70,274)</u>	<u>\$ 340,038</u>	NM	NM
FMS EBT as a % of FMS total revenue	<u>(2.7)%</u>	<u>(1.3)%</u>	<u>6.5%</u>	(140) bps	(780) bps
FMS EBT as a % of FMS operating revenue ⁽²⁾	<u>(3.1)%</u>	<u>(1.5)%</u>	<u>7.8%</u>	(160) bps	(930) bps

(1) In the first quarter of 2020, we announced our plan to exit the extension of our liability insurance coverage for ChoiceLease customers. The exit of this program is estimated to be completed in the first quarter of 2021. We have revised our definition of operating revenue to exclude the revenues associated with this program for better comparability of our on-going operations.

(2) Includes intercompany fuel sales from FMS to SCS and DTS.

(3) Non-GAAP financial measures. Reconciliations of FMS total revenue to FMS operating revenue and FMS EBT as a % of FMS total revenue to FMS EBT as a % of FMS operating revenue, as well as the reasons why management believes these measures are important to investors, are included in the "Non-GAAP Financial Measures" section of this MD&A.

The following table summarizes the components of the change in revenue on a percentage basis versus the prior year:

	2020/2019	
	Total	Operating ⁽¹⁾
Organic, including price and volume	(3)%	(3)%
Fuel	(4)%	—%
Total increase (decrease)	(7)%	(3)%

(1) Non-GAAP financial measure. A reconciliation of FMS total revenue to FMS operating revenue, as well as the reasons why management believes this measure is important to investors, is included in the "Non-GAAP Financial Measures" section of this MD&A.

FMS total revenue decreased 7% to \$5.2 billion in 2020 primarily due to lower fuel services and commercial rental revenues, partially offset by higher ChoiceLease revenue. FMS operating revenue (a non-GAAP measure excluding fuel and ChoiceLease liability insurance revenues) decreased 3% to \$4.6 billion in 2020 primarily from a decline in commercial rental as demand was impacted from COVID-19, particularly in the second quarter of 2020, partially offset by higher pricing in ChoiceLease. ChoiceLease revenue increased 3% in 2020 primarily due to higher prices on vehicles partially offset by lower revenue based on mileage. ChoiceLease revenue also increased due to a higher average active fleet size. SelectCare revenue decreased 5% in 2020 due to lower volumes. Commercial rental revenue decreased 17% in 2020 primarily due to lower demand (see further discussion below). Commercial rental revenue included an estimated negative impact in the first half of 2020 from COVID-19 of approximately \$70 million. Fuel services revenue decreased 30% in 2020 primarily reflecting lower fuel costs passed through to customers and lower gallons sold.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

The following table provides commercial rental statistics on our global fleet:

	2020	2019	2018	2020/2019	Change 2019/2018
	(In thousands, except vehicle counts)				
Rental revenue from non-lease customers ⁽¹⁾	\$ 556,271	\$ 609,840	\$ 566,612	(9)%	8%
Rental revenue from lease customers ⁽²⁾	\$ 277,961	\$ 399,246	\$ 393,994	(30)%	1%
Average commercial rental power fleet size – in service ^{(3), (4)}	31,200	36,000	32,800	(13)%	10%
Commercial rental utilization – power fleet ⁽³⁾	67.4%	75.0%	79.2%	(760) bps	(420) bps

(1) Also includes additional vehicles rented to lease customers, incremental to the lease fleet.

(2) Represents revenue from rental vehicles provided to our existing ChoiceLease customers, generally in place of a lease vehicle.

(3) Number of units rounded to nearest hundred and calculated using quarterly average unit counts. Rental utilization is calculated using the number of days units are rented divided by the number of days units are available to rent based on the days in a calendar year.

(4) Excluding trailers.

FMS EBT decreased in 2020 primarily due to higher depreciation expense impacts from prior residual value estimate changes, which resulted in a negative year-over-year EBT impact of \$75 million. In the first half of 2020, we performed a review of the estimated residual values of our FMS revenue earning equipment for both accelerated and policy depreciation primarily due to the COVID-19 pandemic and the impact on current and expected used vehicle market conditions, including our expectation on a delayed recovery in the used vehicle market beyond our previous expectation of mid-2021. We expect the negative impact from the prior residual value estimate changes to continue to decline going forward. Refer to "Critical Accounting Estimates" below and Note 5, "Revenue Earning Equipment, net" in the Notes to Consolidated Financial Statements for additional information.

EBT in 2020 was also negatively impacted by lower rental demand, including an estimated impact of approximately \$70 million attributed to COVID-19 in the first half of 2020. Rental power fleet utilization decreased to 67.4% in 2020 from 75.0% in 2019, on a 13% smaller average rental power fleet, as noted in the table above. Since the end of the first quarter, commercial rental demand has been negatively impacted by COVID-19 as demand for commercial rental vehicles was significantly impacted in the second quarter due to a substantial reduction in business activity. We took actions to reduce the rental fleet size, and redeploy rental vehicles to fulfill new lease contracts and support the SCS and DTS segments. Utilization has increased throughout the second half of the year due to improving economic conditions and these actions taken to reduce and redeploy the rental fleet size. These negative impacts were partially offset by improved lease results in 2020 primarily due to higher prices on vehicles and the benefit from the discontinuation of the ChoiceLease liability insurance program. The results of the ChoiceLease liability insurance program are no longer reflected in the FMS results and are now reported in "Other Items Impacting Comparability" starting in 2020. Results also reflect lower maintenance costs, including benefits from our cost-savings initiatives. In addition, we also benefited from COVID-19 related cost actions, including lower travel expenses, reduced headcount and temporary employee furloughs.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

Our global fleet of owned and leased revenue earning equipment and SelectCare vehicles, including vehicles under on-demand maintenance, is summarized as follows (rounded to the nearest hundred):

	2020	2019	2018	Change	
				2020/2019	2019/2018
End of period vehicle count					
By type:					
Trucks ⁽¹⁾	77,300	85,200	81,700	(9)%	4%
Tractors ⁽²⁾	73,300	82,400	74,000	(11)%	11%
Trailers ⁽³⁾	43,300	45,400	44,700	(5)%	2%
Other	800	800	1,200	—%	(33)%
Total	<u>194,700</u>	<u>213,800</u>	<u>201,600</u>	<u>(9)%</u>	<u>6%</u>
By product line:					
ChoiceLease	149,600	159,800	149,300	(6)%	7%
Commercial rental	35,000	41,900	42,600	(16)%	(2)%
Service vehicles and other	2,400	2,700	2,800	(11)%	(4)%
Total	<u>187,000</u>	<u>204,400</u>	<u>194,700</u>	<u>(9)%</u>	<u>5%</u>
Held for sale	7,700	9,400	6,900	(18)%	36%
Total	<u>194,700</u>	<u>213,800</u>	<u>201,600</u>	<u>(9)%</u>	<u>6%</u>
Customer vehicles under SelectCare contracts ⁽⁴⁾	<u>50,300</u>	<u>55,800</u>	<u>56,300</u>	<u>(10)%</u>	<u>(1)%</u>
Average vehicle count					
By product line:					
ChoiceLease	154,800	156,600	143,100	(1)%	9%
Commercial rental	37,500	44,100	41,000	(15)%	8%
Service vehicles and other	2,600	2,700	3,100	(4)%	(13)%
Total	<u>194,900</u>	<u>203,400</u>	<u>187,200</u>	<u>(4)%</u>	<u>9%</u>
Held for sale	11,300	7,800	6,100	45%	28%
Total	<u>206,200</u>	<u>211,200</u>	<u>193,300</u>	<u>(2)%</u>	<u>9%</u>
Customer vehicles under SelectCare contracts ⁽⁴⁾	<u>54,900</u>	<u>56,300</u>	<u>55,600</u>	<u>(2)%</u>	<u>1%</u>
Customer vehicles under SelectCare on-demand ⁽⁵⁾	<u>18,800</u>	<u>23,200</u>	<u>23,200</u>	<u>(19)%</u>	<u>—%</u>
Total vehicles serviced	<u>279,900</u>	<u>290,700</u>	<u>272,100</u>	<u>(4)%</u>	<u>7%</u>

(1) Generally comprised of Class 1 through Class 7 type vehicles with a Gross Vehicle Weight (GVW) up to 33,000 pounds.

(2) Generally comprised of over the road on highway tractors and are primarily comprised of Class 8 type vehicles with a GVW of over 33,000 pounds.

(3) Generally comprised of dry, flatbed and refrigerated type trailers.

(4) Excludes customer vehicles under SelectCare on-demand contracts.

(5) Comprised of the number of unique vehicles serviced under on-demand maintenance agreements. This does not represent averages for the periods. Vehicles included in the count may have been serviced more than one time during the respective period.

Note: Average vehicle counts were computed using a 24-point average based on monthly information.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

The following table provides information on our active ChoiceLease fleet (rounded to nearest hundred):

	December 31,			Change	
	2020	2019	2018	2020/2019	2019/2018
End of period vehicle count ⁽¹⁾	<u>142,300</u>	<u>147,400</u>	<u>139,200</u>	(3)%	6%
Full year average vehicle count ⁽¹⁾	<u>145,500</u>	<u>144,300</u>	<u>134,400</u>	1%	7%
Revenue per active ChoiceLease vehicle ⁽²⁾	<u>\$ 21,700</u>	<u>\$ 21,300</u>	<u>\$ 21,100</u>	2%	1%

⁽¹⁾ Active ChoiceLease vehicles are calculated as those units currently earning revenue and not classified as not yet earning or no longer earning units.

⁽²⁾ Calculated based on the reported full year ChoiceLease revenue.

The following table provides a breakdown of our non-revenue earning equipment included in our end of period global fleet count (rounded to the nearest hundred):

Number of Units	December 31,			Change	
	2020	2019	2018	2020/2019	2019/2018
Not yet earning revenue (NYE)	<u>1,900</u>	<u>3,500</u>	<u>4,500</u>	(46)%	(22)%
No longer earning revenue (NLE):					
Units held for sale	<u>7,700</u>	<u>9,400</u>	<u>6,900</u>	(18)%	36%
Other NLE units	<u>3,200</u>	<u>8,400</u>	<u>4,300</u>	(62)%	95%
Total NLE	<u>10,900</u>	<u>17,800</u>	<u>11,200</u>	(39)%	59%
Total	<u>12,800</u>	<u>21,300</u>	<u>15,700</u>	(40)%	36%

NYE units represent new vehicles on hand that are being prepared for deployment to a lease customer or into the rental fleet. Preparations include activities such as adding lift gates, paint, decals, cargo area and refrigeration equipment. The number of NYE units decreased 46% in 2020 reflecting lower lease sales.

NLE units represent all vehicles held for sale and vehicles for which no revenue has been earned in the previous 30 days. Accordingly, these vehicles may be temporarily out of service, being prepared for sale or awaiting redeployment. For 2020, the number of NLE units decreased 39% reflecting a lower number of units held for sale as well as lower number of units being prepared for sale or redeployment.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

Supply Chain Solutions

	2020	2019	2018	2020/2019	Change 2019/2018
	(In thousands, except vehicle counts)				
Automotive	\$ 638,273	\$ 693,211	\$ 628,766	(8)%	10%
Technology and healthcare	222,985	268,305	329,843	(17)%	(19)%
Consumer packaged goods and retail	814,053	736,083	637,244	11%	16%
Industrial and other	195,055	182,366	169,483	7%	8%
Subcontracted transportation	593,937	554,678	521,028	7%	6%
Fuel	80,117	116,628	111,780	(31)%	4%
SCS total revenue	<u>\$ 2,544,420</u>	<u>\$ 2,551,271</u>	<u>\$ 2,398,144</u>	—%	6%
SCS operating revenue ⁽¹⁾	<u>\$ 1,870,366</u>	<u>\$ 1,879,965</u>	<u>\$ 1,765,336</u>	(1)%	6%
SCS EBT	<u>\$ 159,940</u>	<u>\$ 145,060</u>	<u>\$ 130,262</u>	10%	11%
SCS EBT as a % of SCS total revenue	<u>6.3%</u>	<u>5.7%</u>	<u>5.4%</u>	60 bps	30 bps
SCS EBT as a % of SCS operating revenue ⁽¹⁾	<u>8.6%</u>	<u>7.7%</u>	<u>7.4%</u>	90 bps	30 bps
<i>Memo:</i>					
Average fleet	<u>9,600</u>	<u>9,700</u>	<u>8,800</u>	(1)%	10%

(1) Non-GAAP financial measures. Reconciliations of SCS total revenue to SCS operating revenue and SCS EBT as a % of SCS total revenue to SCS EBT as a % of SCS operating revenue, as well as the reasons why management believes these measures are important to investors, are included in the "Non-GAAP Financial Measures" section of this MD&A.

The following table summarizes the components of the change in revenue on a percentage basis versus the prior year:

	2020/2019	
	Total	Operating ⁽¹⁾
Organic, including price and volume	—%	—%
Subcontracted transportation	2%	—%
Foreign exchange	(1)%	(1)%
Fuel	(1)%	—%
Net increase (decrease)	—%	(1)%

(1) Non-GAAP financial measure. A reconciliation of SCS total revenue to SCS operating revenue, as well as the reasons why management believes this measure is important to investors is included in the "Non-GAAP Financial Measures" section of this MD&A.

SCS total revenue remained flat and SCS operating revenue (a non-GAAP measure excluding fuel and subcontracted transportation revenues) decreased 1% in 2020 primarily due to lower activity in our automotive vertical as a result of production shutdowns related to the COVID-19 pandemic, partially offset by new business in several verticals, increased pricing and higher volumes. Revenue in 2020 included estimated negative COVID-19 related impacts of approximately \$70 million in the first half of 2020, primarily due to shutdowns in our automotive vertical. In the second quarter, our automotive customers resumed production and are generally at normal operating levels. We expect revenue growth in line with high single digits range.

SCS EBT increased 10% in 2020 due to higher pricing, improved operating performance and new business, partially offset by estimated impacts of COVID-19 of approximately \$35 million in the first half of 2020, particularly due to the temporary shutdowns in our automotive vertical. In addition, EBT was impacted by lower favorable insurance claim developments and a decrease in equipment contribution of \$5 million in 2020 (see further discussions on equipment contribution above).

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

Dedicated Transportation Solutions

	2020	2019	2018	Change 2020/2019	2019/2018
	(In thousands)				
DTS total revenue	<u>\$ 1,229,374</u>	<u>\$ 1,417,483</u>	<u>\$ 1,333,313</u>	(13)%	6%
DTS operating revenue ⁽¹⁾	<u>\$ 929,247</u>	<u>\$ 972,694</u>	<u>\$ 870,537</u>	(4)%	12%
DTS EBT	<u>\$ 73,442</u>	<u>\$ 81,149</u>	<u>\$ 61,236</u>	(9)%	33%
DTS EBT as a % of DTS total revenue	<u>6.0%</u>	<u>5.7%</u>	<u>4.6%</u>	30 bps	110 bps
DTS EBT as a % of DTS operating revenue ⁽¹⁾	<u>7.9%</u>	<u>8.3%</u>	<u>7.0%</u>	(40) bps	130 bps
<i>Memo:</i>					
Average fleet	<u>9,400</u>	<u>9,600</u>	<u>8,900</u>	(2)%	8%

⁽¹⁾ *Non-GAAP financial measures. Reconciliations of DTS total revenue to DTS operating revenue and DTS EBT as a % of DTS total revenue to DTS EBT as a % of DTS operating revenue, as well as the reasons why management believes these measures are important to investors are included in the "Non-GAAP Financial Measures" section of this MD&A.*

The following table summarizes the components of the change in revenue on a percentage basis versus the prior year:

	2020/2019	
	Total	Operating ⁽¹⁾
Organic, including price and volume	(3)%	(4)%
Subcontracted transportation	(8)%	—%
Fuel	(2)%	—%
Net increase (decrease)	(13)%	(4)%

⁽¹⁾ *Non-GAAP financial measure. A reconciliation of DTS total revenue to DTS operating revenue, as well as the reasons why management believes this measure is important to investors is included in the "Non-GAAP Financial Measures" section of this MD&A.*

DTS total revenue decreased 13% in 2020 due to lower subcontracted transportation revenue, operating revenue (a non-GAAP measure excluding fuel and subcontracted transportation revenues), and fuel revenue. DTS operating revenue decreased 4% in 2020 primarily due to lower sales. We expect revenue growth in line with high single digits range.

DTS EBT decreased 9% in 2020 primarily due to favorable insurance claims development in the prior year and additional depreciation expense from prior residual value estimate changes partially offset by improved operating performance.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

Central Support Services

	2020	2019	2018	2020/2019	Change 2019/2018
	(In thousands)				
Human resources	\$ 20,377	\$ 21,447	\$ 20,082	(5)%	7%
Finance and procurement	72,466	74,583	70,941	(3)%	5%
Corporate services and public affairs	9,688	11,103	11,583	(13)%	(4)%
Information technology	98,286	98,756	90,083	—%	10%
Legal and safety	27,653	28,425	25,949	(3)%	10%
Marketing	23,035	22,356	18,287	3%	22%
Other	73,264	34,798	37,725	NM	(8)%
Total CSS	<u>324,769</u>	<u>291,468</u>	<u>274,650</u>	11%	6%
Allocation of CSS to business segments	<u>(247,331)</u>	<u>(242,354)</u>	<u>(225,569)</u>	2%	7%
Unallocated CSS	<u>\$ 77,438</u>	<u>\$ 49,114</u>	<u>\$ 49,081</u>	NM	—%

Total CSS costs increased 11% to \$325 million in 2020 primarily due to a one-time, special recognition and retention bonus of approximately \$28 million for our front-line non-incentive compensation plan eligible employees in recognition of the work performed during the pandemic. Unallocated CSS costs increased by \$28 million in 2020 due to the special bonus.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

FINANCIAL RESOURCES AND LIQUIDITY

Cash Flows

The following is a summary of our cash flows from continuing operations:

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Net cash provided by (used in):			
Operating activities	\$ 2,181,303	\$ 2,140,539	\$ 1,717,993
Investing activities	(600,997)	(3,217,193)	(2,821,459)
Financing activities	(1,507,178)	1,084,139	1,085,515
Effect of exchange rates on cash	5,132	(4,272)	4,694
Net change in cash and cash equivalents	<u>\$ 78,260</u>	<u>\$ 3,213</u>	<u>\$ (13,257)</u>

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Net cash provided by operating activities			
Earnings (loss) from continuing operations	\$ (111,996)	\$ (23,272)	\$ 286,922
Non-cash and other, net	2,243,040	2,186,866	1,723,473
Collections on sales-type leases	114,462	121,201	82,803
Changes in operating assets and liabilities	(64,203)	(144,256)	(375,205)
Cash flows from operating activities from continuing operations	<u>\$ 2,181,303</u>	<u>\$ 2,140,539</u>	<u>\$ 1,717,993</u>

Cash provided by operating activities from continuing operations increased to \$2.2 billion in 2020 compared with \$2.1 billion in 2019 reflecting slightly lower working capital needs in 2020. Our changes in operating assets and liabilities reflect the timing of collections of our receivables and payments of our trade payables, as well as other changes in operating assets and liabilities. The unfavorable impact in receivables was primarily due to lower revenues as a result of COVID-19 partially offset by the extension of credit terms for certain customers. The favorable impact from trade payables was primarily due to lower spend. In addition, the favorable impact from changes in other assets and liabilities was driven by the deferral of certain payroll taxes as a result of the CARES Act, lower compensation-related payments and a decrease in inventories in 2020. Cash used in investing activities decreased to \$0.6 billion in 2020 compared with \$3.2 billion in 2019 primarily due to a decrease in capital expenditures as a result of lower ChoiceLease sales and rental activity. Cash provided by (used in) financing activities decreased to a use of (\$1.5) billion in 2020 compared with proceeds of \$1.1 billion in 2019 due to increased debt repayments and lower debt borrowings.

The following table shows the components of our free cash flow:

	2020	2019	2018
		(In thousands)	
Net cash provided by operating activities	\$ 2,181,303	\$ 2,140,539	\$ 1,717,993
Sales of revenue earning equipment ⁽¹⁾	538,894	465,705	379,716
Sales of operating property and equipment ⁽¹⁾	13,334	52,276	16,606
Total cash generated ⁽²⁾	<u>2,733,531</u>	<u>2,658,520</u>	<u>2,114,315</u>
Purchases of property and revenue earning equipment ⁽¹⁾	<u>(1,146,521)</u>	<u>(3,735,174)</u>	<u>(3,050,409)</u>
Free cash flow ⁽²⁾	<u>\$ 1,587,010</u>	<u>\$ (1,076,654)</u>	<u>\$ (936,094)</u>

⁽¹⁾ Included in cash flows from investing activities.

⁽²⁾ Non-GAAP financial measures. Reconciliations of net cash provided by operating activities to total cash generated and to free cash flow are set forth in this table. Refer to the "Non-GAAP Financial Measures" section of this MD&A for the reasons why management believes these measures are important to investors.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

Free cash flow increased to \$1.6 billion in 2020 from negative \$1.1 billion in 2019 primarily due to lower capital expenditures.

Cash provided by operating activities from continuing operations will remain consistent at approximately \$2.2 billion in 2021. We expect free cash flow to decrease to approximately \$400 - \$700 million reflecting higher capital spending related to the use of new equipment to fulfill lease contracts and the replacement and growth of the rental fleet.

Purchase Obligations

The majority of our purchase obligations are pay-as-you-go transactions made in the ordinary course of business. Purchase obligations include agreements to purchase goods or services that are legally binding and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed minimum or variable price provisions; and the approximate timing of the transaction. Any amounts for which we are liable under purchase orders for goods received are reflected in the Consolidated Balance Sheets as "Accounts payable" and "Accrued expenses and other current liabilities." In addition, we reflect obligations with settlements that are greater than twelve months from December 31, 2020 as "Other non-current liabilities", including operating lease liabilities. The most significant purchase obligations relate to the purchase of revenue earning equipment, which can generally be cancelled 60 days prior to when the vehicle starts being built by the original equipment manufacturer. See further discussion below on our capital expenditures. We believe that our operating cash flows and access to the debt markets, as further discussed in Financing and Other Funding Transactions below, are sufficient to all us to meet our contractual obligations.

Capital expenditures generally represent the purchase of revenue earning equipment (trucks, tractors and trailers) within our FMS segment. These expenditures primarily support the ChoiceLease and commercial rental product lines. The level of capital required to support the ChoiceLease product line varies based on customer contract signings for replacement vehicles and growth. These contracts are long-term agreements that result in predictable cash flows typically over three to seven years for trucks and tractors and ten years for trailers. We utilize capital for the purchase of vehicles in our commercial rental product line to replenish and expand the fleet available for shorter-term use by contractual or occasional customers. Operating property and equipment expenditures primarily relate to spending on items such as vehicle maintenance facilities and equipment, computer and telecommunications equipment, investments in technologies, and warehouse facilities and equipment.

The following is a summary of capital expenditures:

	2020	2019	2018
	(In thousands)		
Revenue earning equipment:			
ChoiceLease	\$ 856,353	\$ 2,871,043	\$ 2,206,500
Commercial rental	85,141	556,560	796,617
	<u>941,494</u>	<u>3,427,603</u>	<u>3,003,117</u>
Operating property and equipment	128,552	192,820	162,154
Total capital expenditures ⁽¹⁾	<u>1,070,046</u>	3,620,423	3,165,271
Changes in accounts payable related to purchases of property and revenue earning equipment	76,475	114,751	(114,862)
Cash paid for purchases of property and revenue earning equipment	<u>\$ 1,146,521</u>	<u>\$ 3,735,174</u>	<u>\$ 3,050,409</u>

(1) Total capital expenditures exclude \$14 million, \$22 million and \$15 million in 2020, 2019 and 2018, respectively, in assets held under finance leases resulting from new or the extension of existing finance leases and other additions.

Total capital expenditures decreased to \$1.1 billion in 2020 reflecting lower investments in the ChoiceLease and rental fleets as a result of reduced sales activity and rental demand. In relation to the COVID-19 pandemic, we cancelled or postponed vehicle orders in the second quarter where possible, which has significantly reduced capital expenditures during 2020. Later in the year, we began to reinstate some of the postponed vehicle orders, however we expect these vehicles to be delivered in 2021. We expect capital expenditures to increase to approximately \$2.0 to \$2.3 billion in 2021 primarily due to the use of new equipment to fulfill lease contracts and the replacement and growth of the rental fleet.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

Financing and Other Funding Transactions

We utilize external capital primarily to support working capital needs and growth in our asset-based product lines. The variety of financing alternatives typically available to fund our capital needs include commercial paper, long-term and medium-term public and private debt, asset-backed securities, bank term loans, leasing arrangements, and bank credit facilities. Our principal sources of financing are issuances of unsecured commercial paper and medium-term notes.

Cash and equivalents totaled \$151 million as of December 31, 2020. As of December 31, 2020, approximately \$62 million was held outside the U.S. and is available to fund operations and other growth of non-U.S. subsidiaries. If we decide to repatriate cash and equivalents held outside the U.S., we may be subject to additional income and withholding taxes. However, our intent is to permanently reinvest these foreign amounts outside the U.S. and our current plans do not demonstrate a need to repatriate these foreign amounts to fund our U.S. operations.

We believe that our operating cash flows, together with our access to the public unsecured bond market, commercial paper market and other available debt financing, will be adequate to meet our operating, investing and financing needs in the foreseeable future. However, there can be no assurance that unanticipated volatility and disruption in the public unsecured bond market or the commercial paper market would not impair our ability to access these markets on terms commercially acceptable to us or at all. If we cease to have access to public bonds, commercial paper and other sources of unsecured borrowings, we would meet our liquidity needs by drawing upon contractually committed lending agreements and/or by seeking other funding sources. In the second quarter of 2020, we amended our net worth covenant in our revolving credit facility and other debt instruments to enable more flexibility under the covenant. In the fourth quarter of 2020, we amended our revolving credit facility to address various administrative matters. Refer to Note 12, "Debt," in the Notes to Consolidated Financial Statements for information on our net worth covenant amendment and further discussion around the global revolving credit facility, the trade receivables program, issuance of medium-term notes under our shelf registration statement, asset-backed financing obligations and debt maturities.

Our ability to access unsecured debt in the capital markets is impacted by both our short-term and long-term debt ratings. These ratings are intended to provide guidance to fixed income investors in determining the credit risk associated with particular Ryder securities based on current information obtained by the rating agencies from us or from other sources. Lower ratings generally result in higher borrowing costs, as well as reduced access to unsecured capital markets. A significant downgrade of our short-term debt ratings would impair our ability to issue commercial paper and likely require us to rely on alternative funding sources. A significant downgrade would not affect our ability to borrow amounts under our revolving credit facility described below, assuming ongoing compliance with the terms and conditions of the credit facility.

Our debt ratings and rating outlooks as of December 31, 2020 were as follows:

	Rating Summary			
	Short-term	Short-term Outlook	Long-term	Long-term Outlook
Standard & Poor's Ratings Services	A2	—	BBB	Stable
Moody's Investors Service	P2	Stable	Baa2	Stable
Fitch Ratings	F2	—	BBB+	Negative
DBRS	R-1 (Low)	Negative	A (Low)	Negative

As of December 31, 2020, we had the following amounts available to fund operations under the following facilities:

	<u>(In millions)</u>
Global revolving credit facility	\$1,123
Trade receivables program	300

In accordance with our funding philosophy, we attempt to align the aggregate average remaining re-pricing life of our debt with the aggregate average remaining re-pricing life of our vehicle assets. We utilize both fixed-rate and variable-rate debt to achieve this alignment and generally target a mix of 20% - 40% variable-rate debt as a percentage of total debt outstanding. The variable-rate portion of our total debt (including notional value of swap agreements) was 9% and 17% at December 31, 2020 and 2019, respectively. The decrease in variable-rate debt is largely due to the reduction of short-term variable rate debt.

Our debt to equity ratios were 293% and 320% as of December 31, 2020 and 2019, respectively. The debt to equity ratio represents total debt divided by total equity. The decrease in debt-to-equity from year-end 2019 primarily reflects the reduction in debt due to higher free cash flow.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Off-Balance Sheet Arrangements

Guarantees. Refer to Note 13, “Guarantees,” in the Notes to Consolidated Financial Statements for a discussion of our agreements involving guarantees.

Pension Information

Refer to Note 18, “Employee Benefit Plans,” in the Notes to Consolidated Financial Statements for background and further information regarding our company-sponsored defined benefit retirement plans. During 2020, total global pension contributions were \$136 million, which included \$98 million of prefunding contributions for our U.S. pension plan for 2021 through 2023, compared with \$72 million in 2019. We estimate 2021 required pension contributions will be \$7 million related to our foreign pension plans. The present value of estimated global pension contributions that would be required over the next 5 years totals approximately \$33 million (pre-tax). Changes in interest rates and the market value of the securities held by the plans could materially change, positively or negatively, the funded status of the plans and affect the level of pension expense and required contributions in future years. The ultimate amount of contributions is also dependent upon the requirements of applicable laws and regulations.

Due to the underfunded status of our defined benefit plans, we had an accumulated net pension equity charge (after-tax) of \$655 million and \$667 million as of December 31, 2020 and 2019, respectively. The improvement in funded status reflects the benefit of asset returns of 13% in 2020 and higher level of pension contributions, partially offset by a decrease in discount rates.

We also participate in certain U.S. multi-employer pension (MEP) plans that provide defined benefits to employees covered by collective bargaining agreements. Our MEP plan contributions in 2020 was \$11 million.

We expect 2021 pension expense to decrease to approximately \$12 million since the remaining active participants were frozen as of December 31, 2020 and the non-recurring curtailment charges recorded in 2020. See the “Critical Accounting Estimates — Pension Plans” section for further discussion on pension accounting estimates.

Share Repurchase Programs and Cash Dividends

Refer to Note 14, “Share Repurchase Programs,” in the Notes to Consolidated Financial Statements for a discussion on our share repurchase programs.

Cash dividend payments to shareholders of common stock were \$119 million in 2020 and \$116 million in 2019. In 2020 and 2019, our annualized dividend was \$2.24 and \$2.20 per share of common stock, respectively.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Market Risk

In the normal course of business, we are exposed to fluctuations in interest rates, foreign currency exchange rates and fuel prices. We manage these exposures in several ways, including, in certain circumstances, the use of a variety of derivative financial instruments when deemed prudent. We do not enter into leveraged derivative financial transactions or use derivative financial instruments for trading purposes.

Exposure to market risk for changes in interest rates exists for our debt obligations. Our interest rate risk management program objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. We manage our exposure to interest rate risk primarily through the proportion of fixed-rate and variable-rate debt we hold in the total debt portfolio. From time to time, we also use interest rate swap agreements to manage our fixed-rate and variable-rate exposure and to better match the repricing of debt instruments to that of our portfolio of assets. The fair value of derivatives was not material as of December 31, 2020.

As of December 31, 2020, we had \$5.3 billion of fixed-rate debt outstanding (excluding finance leases and U.S. asset-backed securities) with a weighted-average interest rate of 3.43% and a fair value of \$5.7 billion. A hypothetical 10% change in market interest rates would impact the fair value of our fixed-rate debt by approximately \$15 million as of December 31, 2020. Changes in the relative sensitivity of the fair value of our financial instrument portfolio for these theoretical changes in the level of interest rates are primarily driven by changes in our debt maturities, interest rate profile and amount.

As of December 31, 2020, we had \$616 million of variable-rate debt, including \$150 million of fixed-rate debt instruments swapped to LIBOR-based floating-rate debt. Changes in the fair value of the interest rate swaps were offset by changes in the fair value of the debt instruments and no net gain or loss was recognized in earnings. The fair value of our variable-rate debt as of December 31, 2020 was \$621 million. A hypothetical 10% increase in market interest rates would not have impacted 2020 pre-tax earnings by a material amount.

We are also subject to interest rate risk with respect to our pension and postretirement benefit obligations, as changes in interest rates will effectively increase or decrease our liabilities associated with these benefit plans, which also results in changes to the amount of pension and postretirement benefit expense recognized on an annual basis.

Exposure to market risk for changes in foreign currency exchange rates relates primarily to our foreign operations' buying, selling and financing in currencies other than local currencies and to the carrying value of net investments in foreign subsidiaries. The majority of our transactions are denominated in U.S. dollars. The principal foreign currency exchange rate risks to which we are exposed include the Canadian dollar, British pound sterling and Mexican peso. We manage our exposure to foreign currency exchange rate risk related to our foreign operations' buying, selling and financing in currencies other than local currencies by naturally offsetting assets and liabilities not denominated in local currencies to the extent possible. A hypothetical uniform 10% strengthening in the value of the dollar relative to all the currencies in which our transactions are denominated would not materially impact the results of operations. We also use foreign currency option contracts and forward agreements from time to time to hedge foreign currency transactional exposure. We generally do not hedge the foreign currency exposure related to our net investment in foreign subsidiaries, since we have no near-term intent to repatriate funds from such subsidiaries.

Exposure to market risk for fluctuations in fuel prices relates to a small portion of our service contracts for which the cost of fuel is integral to service delivery and the service contract does not have a mechanism to adjust for increases in fuel prices. As of December 31, 2020, we also had various fuel purchase arrangements in place to ensure delivery of fuel at market rates in the event of fuel shortages. We are exposed to fluctuations in fuel prices in these arrangements since none of the arrangements fix the price of fuel to be purchased. Changes in the price of fuel are generally passed on to our customers for which we realize minimal changes in profitability during periods of steady market fuel prices. However, profitability may be positively or negatively impacted by sudden increases or decreases in market fuel prices during a short period of time as customer pricing for fuel services is established based on trailing market fuel costs. We believe the exposure to fuel price fluctuations would not materially impact our results of operations, cash flows or financial position.

ENVIRONMENTAL MATTERS

Refer to Note 19, "Environmental Matters," in the Notes to Consolidated Financial Statements for a discussion surrounding environmental matters.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the U.S. (U.S. GAAP) requires us to make estimates and assumptions. Our significant accounting policies are described in the Notes to Consolidated Financial Statements. Certain of these policies require the application of subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. These estimates and assumptions are based on historical experience, changes in the business environment and other factors that we believe to be reasonable under the circumstances. Different estimates that could have been applied in the current period or changes in the accounting estimates that are reasonably likely can result in a material impact on our financial condition and operating results in the current and future periods. We review the development, selection and disclosure of these critical accounting estimates with Ryder's Audit Committee on an annual basis.

The following discussion, which should be read in conjunction with the descriptions in the Notes to Consolidated Financial Statements, is furnished for additional insight into certain accounting estimates that we consider to be critical.

Depreciation and Residual Value Estimates. Depreciation on the vehicles in our fleet is determined at the time of acquisition and is recognized over a vehicle's useful life to its estimated residual value (i.e., the price at which we ultimately expect to dispose of vehicles) to attempt to minimize gains or losses upon sale in the used vehicle market.

We periodically review and adjust, as appropriate, the estimated residual values and useful lives of existing revenue earning equipment for the purposes of recording depreciation expense as described in Note 5, "Revenue Earning Equipment, Net" in the Notes to Consolidated Financial Statements. Based on the results of our analysis, we may adjust the estimated residual values and useful lives of certain classes of our revenue earning equipment each year. Reductions in estimated residual values or useful lives will result in an increase in depreciation expense over the remaining useful life of the vehicle. Our review of the estimated residual values and useful lives of revenue earning equipment is established with a long-term view, which we refer to as "policy depreciation," based on vehicle class, generally subcategories of trucks, tractors and trailers by weight and usage, as well as other factors. These other factors include, but are not limited to, historical market prices, current and expected future market prices, expected lives of vehicles, and expected sales of used vehicles in the wholesale and retail markets. We also assess estimates of residual values of vehicles expected to be made available for sale in the near-term (generally 12 to 24 months) based on near-term market rates and conditions and may adjust residual values for these vehicles, which we refer to as "accelerated depreciation." As disclosed in Note 5, "Revenue Earning Equipment, Net," we reviewed and revised our estimated residual values in the third quarter of 2019, and again, in the first half of 2020 largely due to impacts from COVID-19. The nature of these estimate changes and the impact to earnings are disclosed in the Notes to Consolidated Financial Statements. The impact of the policy depreciation estimate change in the second quarter of 2020 as a percentage of our original vehicle investment was approximately 3%. We have not made any significant changes to our residual value estimates since the second quarter of 2020.

The approximate unfavorable incremental impact on the annual depreciation expense resulting from prior residual value change in estimates was as follows (rounded to the closest million):

	Years ended December 31,		
	2021 ⁽¹⁾	2020 (in thousands)	2019
Accelerated depreciation ⁽²⁾	\$40,000	\$236,000	\$223,000
Policy depreciation	230,000	255,000	134,000

(1) Excludes forecasted gains or losses on used vehicle sales.

(2) Excludes net gains of \$0.4 million in 2020 and net losses of \$59 million in 2019 for used vehicle sales results.

Our accelerated depreciation residual value levels for both tractors and trucks, which include the impact of COVID-19, are currently below our average annual used vehicle pricing for each year in the last 20 years. These average annual used vehicle pricing levels are calculated based on used vehicle prices as a percentage of our original vehicle investment (cost).

Policy Depreciation Sensitivity

Based on our fleet of revenue earning equipment as of December 31, 2020, a hypothetical additional 10% reduction in estimated residual values as a percentage of original vehicle investment used for policy depreciation would increase depreciation expense over the remaining life of these vehicles by approximately \$280 million. Our average annual used vehicle pricing as a percentage of our original vehicle investment has been above our current policy depreciation residual value levels for trucks 19 out of the last 20 years and for tractors 17 out of the last 20 years.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

While we believe that the carrying values and estimated sales proceeds for revenue earning equipment are reasonable, there can be no assurance that deterioration in economic conditions or adverse changes to expectations of future sales proceeds will not occur, resulting in losses on sales or revisions to residual value estimates. While management believes that current estimates are reasonable given our current outlook, if our tractor used vehicle sales pricing as a percentage of our original vehicle investment does not improve, we will likely be required to lower residual value estimates even further which may have a material adverse effect on our financial results. Factors that could cause actual results to materially differ from estimates include, but are not limited to, changes in supply and demand; changes in technology; competitor pricing; regulatory requirements; driver shortages, requirements and preferences; and changes in underlying assumption factors. As a result, future residual value estimates and resulting depreciation expense are subject to change based upon changes in these factors.

Revenue Recognition. We generate revenue primarily through contracts with customers to lease, rent and maintain revenue earning equipment and to provide logistics management and dedicated transportation services. We enter into contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. We account for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectibility of consideration is probable. We recognize revenue upon the transfer of control of promised products and services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. We generally recognize revenue over time as we perform because of continuous transfer of control to our customers.

We offer a full service lease as well as a lease with more flexible maintenance options under our ChoiceLease product line in our FMS business segment, which are marketed, priced and managed as bundled products that include the equipment lease, maintenance and other related services. We do not offer a stand-alone lease of new vehicles. Our ChoiceLease product line includes the lease of a vehicle (lease component) and maintenance and other services (non-lease component). Contract consideration is allocated between the lease and non-lease components based on management's best estimate of the relative stand-alone selling price of each component. Allocating consideration between the lease and maintenance components in our ChoiceLease product requires significant judgment. We do not sell the components of our ChoiceLease product offering on a stand-alone basis, therefore significant judgment is required to determine the stand-alone selling prices of the lease and maintenance components in order to allocate the consideration on a relative stand-alone selling price basis.

For the lease component, we estimate the stand-alone selling price using the projected cash outflows related to the underlying leased vehicle, net of the estimated disposal proceeds, and a certain targeted return considering the weighted average cost of capital. For the non-lease component of the contract, we estimate the stand-alone selling price of the maintenance component using an expected cost-plus margin approach. The expected costs are based on our historical costs of providing maintenance services in our ChoiceLease arrangements. The margin is based on the historical margin percentages for our full service maintenance contracts in the SelectCare product line, as the maintenance performance obligation in those contracts is similar to maintenance in our ChoiceLease arrangements. Full service maintenance arrangements in SelectCare are priced based on targeted margin percentages for new and used vehicles by type of vehicle (trucks, tractors, and trailers), considering the fixed and variable costs of providing maintenance services.

We recognize maintenance revenue using an input method, consistent with the estimated pattern of the costs to maintain the underlying vehicles. This generally results in the recognition of a contract liability for the portion of the customer's billings allocated to the maintenance service component of the agreement. The non-lease revenue component for maintenance included in "Lease & related maintenance and rental revenues" was \$965 million, \$950 million and \$909 million in 2020, 2019 and 2018, respectively.

The stand-alone price for both the lease and non-lease components could vary in the future based on both external market conditions and our pricing strategies as a result of the market conditions.

Pension Plans. We apply actuarial methods to determine the annual net periodic pension expense and pension plan liabilities on an annual basis, or on an interim basis if there is an event, such as a curtailment, requiring remeasurement. Each December, we review actual experience compared with the assumptions used and make adjustments to our assumptions, if warranted. In determining our annual estimate of periodic pension cost, we are required to make an evaluation of critical factors such as discount rate, expected long-term rate of return on assets, expected increase in compensation levels, retirement rate and mortality. Discount rates are based upon a duration analysis of expected benefit payments and the equivalent average yield for high quality corporate fixed income investments as of our annual measurement date at December 31. In order to estimate the

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

discount rate relevant to our plan, we use models that match projected benefits payments of our primary U.S. plan to coupons and maturities from a hypothetical portfolio of high quality corporate bonds. Long-term rate of return assumptions are based on a review of our asset allocation strategy and long-term expected asset returns. Investment management and other fees paid using plan assets are factored into the determination of asset return assumptions.

Assumptions as to mortality of the participants in our pension plan is a key estimate in measuring the expected payments participants may receive over their lifetime, and therefore the amount of expense we will recognize. We update our mortality assumptions as deemed necessary by taking into consideration relevant actuarial studies as they become available as well as reassessing our own historical experience.

As part of our strategy to manage future pension costs and net funded status volatility, we regularly assess our pension investment strategy. Our U.S. pension investment policy and strategy seek to reduce the effects of future volatility on the fair value of our pension assets relative to our pension liabilities by increasing our allocation of high quality, longer-term fixed income securities and reducing our allocation of equity investments as the funded status of the plan improves. The composition of our pension assets was 33% equity securities and alternative assets and 67% debt securities and other investments as of December 31, 2020. We continually evaluate our mix of investments between equity and fixed income securities and adjust the composition of our pension assets when appropriate. In 2021, we adjusted our long-term expected rate of return assumption for our primary U.S. plan to 3.90% from 5.05% based on our expected asset mix which has a higher proportion of debt securities.

Accounting guidance applicable to pension plans does not require immediate recognition of the effects of a deviation between these assumptions and actual experience or the revision of an estimate. This approach allows the favorable and unfavorable effects that fall within an acceptable range to be netted and included in "Accumulated other comprehensive loss." We had a pre-tax accumulated actuarial loss of \$855 million and \$870 million as of December 31, 2020 and 2019, respectively. To the extent the amount of cumulative actuarial gains and losses exceed 10% of the greater of the benefit obligation or plan assets, the excess amount is amortized over the average remaining life expectancy of active participants or the remaining life expectancy of inactive participants. As of December 31, 2020, the amount of the actuarial loss subject to amortization in 2021 and future years is \$604 million. We expect to recognize approximately \$28 million of the net actuarial loss as a component of pension expense in 2021. The effect on years beyond 2021 will depend substantially upon the actual experience of our plans in future years.

Disclosure of the significant assumptions used in arriving at the 2020 net pension expense is presented in Note 18, "Employee Benefit Plans," in the Notes to Consolidated Financial Statements. A sensitivity analysis of net pension expense to changes in key underlying assumptions for our primary plan, the U.S. pension plan, is presented below:

	<u>Assumed Rate</u>	<u>Change</u>	<u>Impact on 2021 Net Pension Expense</u>	<u>Effect on December 31, 2020 Projected Benefit Obligation</u>
Expected long-term rate of return on assets	3.90%	+/- 0.25	+/- \$4 million	N/A
Discount rate	2.60%	+ 0.25	N/M	- \$56 million
Discount rate	2.60%	- 0.25	N/M	+ \$59 million

Self-Insurance Accruals. Self-insurance accruals were \$444 million and \$411 million as of December 31, 2020 and 2019, respectively. The majority of our self-insurance relates to vehicle liability and workers' compensation. We use a variety of statistical and actuarial methods that are widely used and accepted in the insurance industry to estimate amounts for claims that have been reported but not paid and claims incurred but not reported. In applying these methods and assessing their results, we consider such factors as frequency and severity of claims, claim development and payment patterns, and changes in the nature of our business, among other factors. Such factors are analyzed for each of our business segments. Our estimates may be impacted by such factors as increases in the market price for medical services, unpredictability of the size of jury awards and limitations inherent in the estimation process. During both 2020 and 2019, we recognized charges of \$18 million from the development of estimated prior years' self-insured loss reserves. Based on self-insurance accruals at December 31, 2020, a 5% adverse change in actuarial claim loss estimates would increase operating expense in 2021 by approximately \$22 million.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Goodwill Impairment. We assess goodwill for impairment, as described in Note 1, “Summary of Significant Accounting Policies — Goodwill and Other Intangible Assets,” in the Notes to Consolidated Financial Statements, on an annual basis or more often if deemed necessary. As of December 31, 2020, total goodwill was \$475 million. To determine whether goodwill is impaired, we are required to assess the fair value of each reporting unit and compare it to its carrying value. A reporting unit is a component of an operating segment for which discrete financial information is available and management regularly reviews its operating performance.

We assess goodwill for impairment on October 1st of each year or more often if deemed necessary. In evaluating goodwill for impairment, we have the option to first assess qualitative factors to determine whether further impairment testing is necessary, such as macroeconomic conditions, changes in our industry and the markets in which we operate, and our market capitalization as well as our reporting units' historical and expected future financial performance. If we conclude that it is more likely than not that a reporting unit's fair value is less than its carrying value or we bypass the optional qualitative assessment, recoverability is assessed by comparing the fair value of the reporting unit with its carrying amount. If a reporting unit's carrying value exceeds its fair value, we will measure any goodwill impairment losses as the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

For quantitative tests, we estimated the fair value of the reporting units using a combination of both a market and income approach. We perform our quantitative impairment test with the assistance of a third-party specialist. Under the market approach, we use a selection of comparable publicly-traded companies that correspond to the reporting unit to derive a market-based multiple. Under the income approach, the fair value of the reporting unit is estimated based on the discounted present value of the projected future cash flows. Rates used to discount cash flows are dependent upon interest rates and the cost of capital based on our industry and capital structure, adjusted for equity and size risk premiums based on market capitalization. Estimates of future cash flows are dependent on our knowledge and experience about past and current events and significant judgments and assumptions about conditions we expect to exist, including revenue growth rates, margins, long-term growth rates, capital requirements, proceeds from the sale of used vehicles, the ability to utilize our tax net operating losses, and the discount rate. Our estimates of cash flows are also based on historical and future operating performance, economic conditions and actions we expect to take. In addition to these factors, our SCS and DTS reporting units are dependent on several key customers or industry sectors. The loss of a key customer may have a significant impact to our SCS or DTS reporting units, causing us to assess whether or not the event resulted in a goodwill impairment loss.

In making our assessments of fair value, we rely on our knowledge and experience about past and current events and assumptions about conditions we expect to exist in the future. These assumptions are based on a number of factors, including future operating performance, economic conditions, actions we expect to take and present value techniques. There are inherent uncertainties related to these factors and management's judgment in applying them to the analysis of goodwill impairment. It is possible that assumptions underlying the impairment analysis will change in such a manner that impairment in value may occur in the future. We conduct additional sensitivity analyses to assess the risk for potential impairment based upon changes in the key assumptions in our goodwill valuation test, including long-term growth rates and discount rates.

As further discussed in Note 7, “Goodwill,” we performed an interim impairment test of our FMS North America reporting unit (FMS NA) in the first quarter of 2020 as a result of the decline in market conditions and our updated outlook as a result of the impact of COVID-19. Our valuation of fair value for FMS NA was determined based on a discounted future cash flow model (income approach) and the application of current market multiples for comparable publicly-traded companies (market approach). Based on our analysis, we determined that FMS NA goodwill was not impaired as of March 31, 2020. The estimated fair value of the FMS NA reporting unit exceeded its carrying value by approximately 5% as of March 31, 2020.

Given this level of fair value, in the event the financial performance of FMS NA does not meet our expectations in the future; we experience future prolonged market downturns, including in the used vehicle market or sustained declines in our stock price; worsening trends from the COVID-19 pandemic; or there are other negative revisions to key assumptions, we may be required to perform additional impairment analyses and could be required to recognize a non-cash goodwill impairment charge. As of December 31, 2020, FMS NA goodwill was \$244 million. We determined that there have not been any interim impairment trigger events since the first quarter of 2020.

On October 1, 2020, we completed our annual goodwill impairment test for all reporting units and conducted a qualitative analysis based on market conditions, business performance and our stock price. Based on this analysis, we determined that the fair values more likely than not exceeded their respective carrying values for each reporting unit.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Income Taxes. Our overall tax position is complex and requires careful analysis by management to estimate the expected realization of income tax assets and liabilities.

Tax regulations can require items to be included in the tax return at different times than the items are reflected in the financial statements. As a result, the effective tax rate reflected in the financial statements can be different than that reported in the tax return. Timing differences create deferred tax assets and liabilities. Deferred tax assets generally represent items that can be used as a tax deduction or credit in the tax return in future years, for which we have already recognized the tax benefit in the financial statements. Deferred tax assets were \$814 million and \$1.0 billion as of December 31, 2020 and 2019, respectively. We recognize a valuation allowance for deferred tax assets to reduce such assets to amounts expected to be realized. As of December 31, 2020 and 2019, the deferred tax valuation allowance was \$41 million and \$18 million, respectively. Refer to Note 10, "Income Taxes," in the Notes to Consolidated Financial Statements for information regarding the valuation allowance that was recorded in 2020 related to our U.K. deferred tax assets. In determining the required level of valuation allowance, we consider whether it is more likely than not that all or some portion of deferred tax assets will not be realized. This assessment is based on management's expectations as to whether sufficient taxable income of an appropriate character will be realized within tax carryback and carryforward periods. Our assessment involves estimates and assumptions about matters that are inherently uncertain, and unanticipated events or circumstances could cause actual results to differ from these estimates. Should we change our estimate of the amount of deferred tax assets that we would be able to realize, an adjustment to the valuation allowance would result in an increase or decrease to the provision for income taxes in the period such a change in estimate was made.

As part of our calculation of the provision for income taxes, we determine whether the benefits of our tax positions are at least more likely than not of being sustained upon audit based on the technical merits of the tax position. We accrue the largest amount of the benefit that has a cumulative probability of greater than 50% of being sustained. These accruals require management to make estimates and judgments with respect to the ultimate outcome of a tax audit. Actual results could vary materially from these estimates.

A number of years may elapse before a particular matter for which we have established a reserve is audited and finally resolved. The number of years exposed to audit due to open statutes varies depending on the tax jurisdiction. The tax benefit that has been previously reserved because of a failure to meet the "more likely than not" recognition threshold would be recognized in our income tax expense in the first interim period when the uncertainty is resolved under any one of the following conditions: (1) the tax position has been determined to be "more likely than not" of being sustained, (2) the tax position, amount and/or timing is ultimately settled through negotiation or litigation, or (3) the statutes of limitations for the tax position has expired. Refer to Note 10, "Income Taxes," in the Notes to Consolidated Financial Statements for further discussion.

RECENT ACCOUNTING PRONOUNCEMENTS

Refer to Note 2, "Recent Accounting Pronouncements," in the Notes to Consolidated Financial Statements for a discussion of recent accounting pronouncements.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

NON-GAAP AND SEGMENT FINANCIAL MEASURES

Non-GAAP Financial Measures. This Annual Report on Form 10-K includes information extracted from consolidated financial information that is not required by U.S. GAAP to be presented in the financial statements. Certain elements of this information are considered “non-GAAP financial measures” as defined by SEC rules. Non-GAAP financial measures should be considered in addition to, but not as a substitute for or superior to, other measures of financial performance or liquidity prepared in accordance with U.S. GAAP. Also, our non-GAAP financial measures may not be comparable to financial measures used by other companies. We provide a reconciliation of each of these non-GAAP financial measures to the most comparable GAAP measure in this non-GAAP financial measures section or in the MD&A above. We also provide the reasons why management believes each non-GAAP financial measure is useful to investors in this section.

Specifically, we refer to the following non-GAAP financial measures in this Form 10-K:

Non-GAAP Financial Measure	Comparable GAAP Measure
Operating Revenue Measures:	
Operating Revenue	Total Revenue
FMS Operating Revenue	FMS Total Revenue
SCS Operating Revenue	SCS Total Revenue
DTS Operating Revenue	DTS Total Revenue
FMS EBT as a % of FMS Operating Revenue	FMS EBT as a % of FMS Total Revenue
SCS EBT as a % of SCS Operating Revenue	SCS EBT as a % of SCS Total Revenue
DTS EBT as a % of DTS Operating Revenue	DTS EBT as a % of DTS Total Revenue
Comparable Earnings Measures:	
Comparable Earnings (Loss) Before Income Tax	Earnings (Loss) Before Income Tax
Comparable Earnings (Loss)	Earnings (Loss) from Continuing Operations
Comparable Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	Net Earnings (Loss)
Comparable EPS	EPS from Continuing Operations
Comparable Tax Rate	Effective Tax Rate from Continuing Operations
Adjusted Return on Equity (ROE)	Not Applicable. However, non-GAAP elements of the calculation have been reconciled to the corresponding GAAP measures. A numerical reconciliation of net earnings to adjusted net earnings and average shareholders' equity to adjusted average equity is provided in the following reconciliations.
Cash Flow Measures:	
Total Cash Generated and Free Cash Flow	Cash Provided by Operating Activities

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

Set forth in the table below is an overview of each non-GAAP financial measure and why management believes that presentation of each non-GAAP financial measure provides useful information to investors.

Operating Revenue Measures:	
Operating Revenue	<p><u>Operating revenue</u> is defined as total revenue for Ryder System, Inc. or each business segment (FMS, SCS and DTS) excluding any (1) fuel and (2) subcontracted transportation, as well as (3) revenue from our ChoiceLease liability insurance program which was discontinued in early 2020. We believe operating revenue provides useful information to investors as we use it to evaluate the operating performance of our core businesses and as a measure of sales activity at the consolidated level for Ryder System, Inc., as well as for each of our business segments. We also use segment EBT as a percentage of segment operating revenue for each business segment for the same reason. Note: FMS EBT, SCS EBT and DTS EBT, our primary measures of segment performance, are not non-GAAP measures.</p> <p><i>Fuel:</i> We exclude FMS, SCS and DTS fuel from the calculation of our operating revenue measures, as fuel is an ancillary service that we provide our customers, which is impacted by fluctuations in market fuel prices and the costs are largely a pass-through to our customers, resulting in minimal changes in our profitability during periods of steady market fuel prices. However, profitability may be positively or negatively impacted by rapid changes in market fuel prices during a short period of time, as customer pricing for fuel services is established based on trailing market fuel costs.</p> <p><i>Subcontracted transportation:</i> We exclude subcontracted transportation from the calculation of our operating revenue measures, as these services are also typically a pass-through to our customers and, therefore, fluctuations result in minimal changes to our profitability. While our SCS and DTS business segments subcontract certain transportation services to third party providers, our FMS business segment does not engage in subcontracted transportation and, therefore, this item is not applicable to FMS.</p> <p><i>ChoiceLease liability insurance:</i> We exclude ChoiceLease liability insurance as we announced our plan in the first quarter of 2020 to exit the extension of our liability insurance coverage for ChoiceLease customers. The exit of this program is estimated to be completed in the first quarter of 2021. We are excluding the revenues associated with this program for better comparability of our on-going operations.</p>
FMS Operating Revenue	
SCS Operating Revenue	
DTS Operating Revenue	
FMS EBT as a % of FMS Operating Revenue	
SCS EBT as a % of SCS Operating Revenue	
DTS EBT as a % of DTS Operating Revenue	

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

Comparable Earnings Measures:	
<p>Comparable Earnings (Loss) before Income Taxes (EBT)</p> <p>Comparable Earnings (Loss)</p> <p>Comparable Earnings (Loss) per Diluted Common Share (EPS)</p> <p>Comparable Tax Rate</p> <p>Adjusted Return on Equity (ROE)</p>	<p><u>Comparable EBT, comparable earnings and comparable EPS</u> are defined, respectively, as U.S. GAAP EBT, earnings and EPS, all from continuing operations, excluding (1) non-operating pension costs and (2) any other significant items that are not representative of our business operations. We believe these comparable earnings measures provide useful information to investors and allow for better year-over-year comparison of operating performance.</p> <p><i>Non-operating pension costs:</i> Our comparable earnings measures exclude non-operating pension costs, which include the amortization of net actuarial loss and prior service cost, interest cost and expected return on plan assets components of pension and postretirement benefit costs, as well as a settlement or curtailment of a plan. We exclude non-operating pension costs because we consider these to be impacted by financial market performance and outside the operational performance of our business.</p> <p><i>Other Items Impacting Comparability:</i> Our comparable and adjusted earnings measures also exclude other significant items that are not representative of our business operations as detailed in the reconciliation table below. These other significant items vary from period to period and, in some periods, there may be no such significant items.</p> <p><u>Comparable tax rate</u> is computed using the same methodology as the U.S. GAAP provision for income taxes. Income tax effects of non-GAAP adjustments are calculated based on the statutory tax rates of the jurisdictions to which the non-GAAP adjustments relate.</p> <p><u>Adjusted ROE</u> is defined as adjusted net earnings divided by adjusted average shareholders' equity and represents the rate of return on shareholders' investment. Other items impacting comparability described above are excluded, as applicable, from the calculation of net earnings and average shareholders' equity. We use adjusted ROE as an internal measure of how effectively we use the owned capital invested in our operations.</p>
<p>Comparable Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)</p>	<p><u>Comparable EBITDA</u> is defined as net earnings (loss), first adjusted to exclude discontinued operations and the following items, all from continuing operations: (1) non-operating pension costs and (2) any other items that are not representative of our business operations (these items are the same items that are excluded from comparable earnings measures for the relevant periods as described immediately above) and then adjusted further for (1) interest expense, (2) income taxes, (3) depreciation, (4) used vehicle sales results and (5) amortization.</p> <p>We believe comparable EBITDA provides investors with useful information, as it is a standard measure commonly reported and widely used by analysts, investors and other interested parties to measure financial performance and our ability to service debt and meet our payment obligations. In addition, we believe that the inclusion of comparable EBITDA provides consistency in financial reporting and enables analysts and investors to perform meaningful comparisons of past, present and future operating results. Other companies may calculate comparable EBITDA differently; therefore, our presentation of comparable EBITDA may not be comparable to similarly-titled measures used by other companies.</p> <p>Comparable EBITDA should not be considered as an alternative to net earnings (loss), earnings from continuing operations before income taxes or earnings from continuing operations determined in accordance with U.S. GAAP, as an indicator of the Company's operating performance, as an alternative to cash flows from operating activities (determined in accordance with U.S. GAAP), as an indicator of cash flows, or as a measure of liquidity.</p>

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

Cash Flow Measures:	
Total Cash Generated	<p>We consider total cash generated and free cash flow to be important measures of comparative operating performance, as our principal sources of operating liquidity are cash from operations and proceeds from the sale of revenue earning equipment.</p>
Free Cash Flow	<p><u>Total Cash Generated</u> is defined as the sum of (1) net cash provided by operating activities, (2) net cash provided by the sale of revenue earning equipment, (3) net cash provided by the sale of operating property and equipment and (4) other cash inflows from investing activities. We believe total cash generated is an important measure of total cash flows generated from our ongoing business activities.</p> <p><u>Free Cash Flow</u> is defined as the net amount of cash generated from operating activities and investing activities (excluding acquisitions) from continuing operations. We calculate free cash flow as the sum of (1) net cash provided by operating activities, (2) net cash provided by the sale of revenue earning equipment and operating property and equipment, and (3) other cash inflows from investing activities, less (4) purchases of property and revenue earning equipment. We believe free cash flow provides investors with an important perspective on the cash available for debt service and for shareholders, after making capital investments required to support ongoing business operations. Our calculation of free cash flow may be different from the calculation used by other companies and, therefore, comparability may be limited.</p> <p>* See Total Cash Generated and Free Cash Flow reconciliations in the Financial Resources and Liquidity section of Management's Discussion and Analysis.</p>

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

The following table provides a reconciliation of U.S. GAAP earnings (loss) before taxes (EBT), earnings (loss), and earnings (loss) per diluted share (Diluted EPS) from continuing operations to comparable EBT, comparable earnings and comparable EPS from continuing operations. Certain items included in EBT, earnings and diluted EPS from continuing operations have been excluded from our comparable EBT, comparable earnings and comparable diluted EPS measures. The following table lists a summary of these items, which are discussed in more detail throughout our MD&A and within the Notes to Consolidated Financial Statements:

	Continuing Operations		
	Years ended December 31,		
	2020	2019	2018
	(In thousands, except per share amounts)		
EBT	\$ (130,360)	\$ (42,271)	\$ 389,469
Non-operating pension costs ⁽¹⁾	11,167	60,406	7,541
Restructuring and other, net ⁽²⁾	76,364	35,308	5,597
ERP implementation costs ⁽²⁾	34,251	21,260	742
Gains on sale of properties ⁽²⁾	(5,418)	(18,614)	—
Early redemption of medium-term notes ⁽²⁾	8,999	—	—
Goodwill impairment ⁽³⁾	—	—	15,513
ChoiceLease liability insurance revenue ⁽²⁾	(23,817)	—	—
Comparable EBT	\$ (28,814)	\$ 56,089	\$ 418,862
Earnings (loss)	\$ (111,996)	\$ (23,272)	\$ 286,922
Non-operating pension costs ⁽¹⁾	5,273	44,852	4,685
Restructuring and other, net (including ChoiceLease liability insurance results) ⁽²⁾	43,602	26,532	4,475
ERP implementation costs ⁽²⁾	25,428	15,779	550
Gains on sale of properties ⁽²⁾	(5,027)	(13,845)	—
Early redemption of medium-term notes ⁽²⁾	6,863	—	—
Goodwill impairment ⁽³⁾	—	—	15,513
Tax adjustments, net ⁽⁴⁾	22,064	3,508	2,636
Comparable Earnings ⁽⁵⁾	\$ (13,793)	\$ 53,554	\$ 314,781
Diluted EPS	\$ (2.15)	\$ (0.45)	\$ 5.43
Non-operating pension costs ⁽¹⁾	0.10	0.85	0.09
Restructuring and other, net (including ChoiceLease liability insurance results) ⁽²⁾	0.84	0.51	0.08
ERP implementation costs ⁽²⁾	0.49	0.30	0.01
Gains on sale of properties ⁽²⁾	(0.10)	(0.26)	—
Early redemption of medium-term notes ⁽²⁾	0.13	—	—
Goodwill impairment ⁽³⁾	—	—	0.29
Tax adjustments, net ⁽⁴⁾	0.42	0.06	0.05
Comparable EPS ⁽⁵⁾	\$ (0.27)	\$ 1.01	\$ 5.95

(1) Refer to Note 18, "Employee Benefit Plans," in the Notes to Consolidated Financial Statements for additional information.

(2) Refer to Note 20, "Other Items Impacting Comparability," in the Notes to Consolidated Financial Statements for additional information.

(3) Refer to Note 7, "Goodwill," in the Notes to Consolidated Financial Statements for additional information.

(4) Refer to the reconciliation of the comparable provision for income taxes table below for information on adjustments related to tax matters.

(5) Refer to the reconciliation of the comparable provision for income taxes table below for information on the tax impact on our comparable earnings measures.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

The following table provides a reconciliation of the provision for income taxes to the comparable provision for income taxes:

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Provision for (benefit from) income taxes ⁽¹⁾	\$ (18,364)	\$ (18,999)	\$ 102,547
Tax adjustments, net ⁽²⁾	(22,064)	(3,508)	(2,636)
Income tax effects of non-GAAP adjustments ⁽¹⁾	25,407	25,042	4,170
Comparable provision for (benefit from) income taxes ⁽¹⁾	<u>\$ (15,021)</u>	<u>\$ 2,535</u>	<u>\$ 104,081</u>
Effective tax rate on continuing operations ⁽³⁾	(14.1)%	(44.9)%	26.3%
Tax adjustments and income tax effects of non-GAAP adjustments ⁽¹⁾⁽²⁾	(38.0)%	49.4%	(1.5)%
Comparable tax rate on continuing operations ⁽¹⁾⁽³⁾	<u>(52.1)%</u>	<u>4.5%</u>	<u>24.8%</u>

- (1) The comparable provision for income taxes is computed using the same methodology as the U.S. GAAP provision of income taxes. Income tax effects of non-GAAP adjustments are calculated based on statutory tax rates of the jurisdictions to which the non-GAAP adjustments related. Refer to the previous table for further information on the tax adjustments.
- (2) In 2020, tax adjustments, net included expenses related to a valuation allowance of \$13 million on our U.K. deferred tax assets, expiring state net operating losses of \$7 million, and state law changes of \$2 million. In 2019, tax adjustments, net primarily included expenses related to expiring state net operating losses of \$5 million. In 2018, tax adjustments, net included an expense of \$15 million to the provisional estimates recorded in connection with the 2017 Tax Cuts and Jobs Act, offset by a one-time benefit of \$10 million related to the correction of our deferred tax assets and uncertain tax position and \$3 million benefit from state law changes.
- (3) The effective tax rate on continuing operations and comparable tax rate on continuing operations are based on our earnings from continuing operations before income taxes (EBT) and comparable earnings from continuing operations before income taxes, respectively, found on the previous page.

The following table provides a reconciliation of earnings (loss) to comparable earnings before interest, taxes, depreciation and amortization (EBITDA):

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Net earnings (loss)	\$ (122,250)	\$ (24,410)	\$ 284,613
(Earnings) loss from discontinued operations, net of tax	10,254	1,138	2,309
Provision for (benefit from) income taxes	(18,364)	(18,999)	102,547
EBT	<u>(130,360)</u>	<u>(42,271)</u>	<u>389,469</u>
Non-operating pension costs ⁽¹⁾	11,167	60,406	7,541
Other items impacting comparability, net ⁽²⁾	90,379	37,954	21,852
Comparable EBT	<u>(28,814)</u>	<u>56,089</u>	<u>418,862</u>
Interest expense ⁽³⁾	252,343	241,381	180,488
Depreciation	2,027,413	1,878,929	1,388,570
Used vehicle sales, net ⁽⁴⁾⁽⁵⁾	(414)	58,706	22,325
Amortization	7,730	8,294	7,632
Comparable EBITDA ⁽⁵⁾	<u>\$ 2,258,258</u>	<u>\$ 2,243,399</u>	<u>\$ 2,017,877</u>

- (1) Refer to Note 18, "Employee Benefit Plans," in the Notes to Consolidated Financial Statements for additional information.
- (2) Refer to the table above in the Full Year Operating Results by Segment for a discussion on items excluded from our comparable measures and their classification within our Consolidated Statements of Earnings and Note 20, "Other Items Impacting Comparability" in the Notes to Consolidated Financial Statements for additional information.
- (3) Excludes interest expense of \$9 million recorded for the early redemption of two medium-term notes as it is presented above in "Other items impacting comparability, net."
- (4) Refer to Note 5, "Revenue Earning Equipment, net," in the Notes to Consolidated Financial Statements for additional information.
- (5) Comparable EBITDA has been recast to exclude gains/losses from the sale of used vehicles.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

The following table provides a reconciliation of total revenue to operating revenue:

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Total revenue	\$ 8,420,091	\$ 8,925,801	\$ 8,413,946
Subcontracted transportation	(785,844)	(854,149)	(836,991)
Fuel	(586,391)	(847,320)	(878,839)
ChoiceLease liability insurance revenue ⁽¹⁾	(23,817)	(35,260)	(28,220)
Operating revenue	<u>\$ 7,024,039</u>	<u>\$ 7,189,072</u>	<u>\$ 6,669,896</u>

(1) In the first quarter of 2020, we announced our plan to exit the extension of our liability insurance coverage for ChoiceLease customers. The exit of this program is estimated to be completed in the first quarter of 2021. We have revised our definition of operating revenues to exclude the revenues associated with this program for better comparability of our on-going operations.

The following table provides a reconciliation of FMS total revenue to FMS operating revenue:

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
FMS total revenue	\$ 5,170,467	\$ 5,571,403	\$ 5,258,693
Fuel ⁽¹⁾	(569,074)	(816,362)	(847,655)
ChoiceLease liability insurance revenue ⁽²⁾	(23,817)	(35,260)	(28,220)
FMS operating revenue	<u>\$ 4,577,576</u>	<u>\$ 4,719,781</u>	<u>\$ 4,382,818</u>
FMS EBT	<u>\$ (141,957)</u>	<u>\$ (70,274)</u>	<u>\$ 340,038</u>
FMS EBT as a % of FMS total revenue	<u>(2.7)%</u>	<u>(1.3)%</u>	<u>6.5%</u>
FMS EBT as a % of FMS operating revenue	<u>(3.1)%</u>	<u>(1.5)%</u>	<u>7.8%</u>

(1) Includes intercompany fuel sales from FMS to DTS and SCS.

(2) In the first quarter of 2020, we announced our plan to exit the extension of our liability insurance coverage for ChoiceLease customers. The exit of this program is estimated to be completed in the first quarter of 2021. We have revised our definition of operating revenues to exclude the revenues associated with this program for better comparability of our ongoing operations.

The following table provides a reconciliation of SCS total revenue to SCS operating revenue:

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
SCS total revenue	\$ 2,544,420	\$ 2,551,271	\$ 2,398,144
Subcontracted transportation	(593,937)	(554,678)	(521,028)
Fuel	(80,117)	(116,628)	(111,780)
SCS operating revenue	<u>\$ 1,870,366</u>	<u>\$ 1,879,965</u>	<u>\$ 1,765,336</u>
SCS EBT	<u>\$ 159,940</u>	<u>\$ 145,060</u>	<u>\$ 130,262</u>
SCS EBT as a % of SCS total revenue	<u>6.3%</u>	<u>5.7%</u>	<u>5.4%</u>
SCS EBT as a % of SCS operating revenue	<u>8.6%</u>	<u>7.7%</u>	<u>7.4%</u>

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)**

The following table provides a reconciliation of DTS total revenue to DTS operating revenue:

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
DTS total revenue	\$ 1,229,374	\$ 1,417,483	\$ 1,333,313
Subcontracted transportation	(191,907)	(299,471)	(315,963)
Fuel	(108,220)	(145,318)	(146,813)
DTS operating revenue	<u>\$ 929,247</u>	<u>\$ 972,694</u>	<u>\$ 870,537</u>
DTS EBT	<u>\$ 73,442</u>	<u>\$ 81,149</u>	<u>\$ 61,236</u>
DTS EBT as a % of DTS total revenue	<u>6.0%</u>	<u>5.7%</u>	<u>4.6%</u>
DTS EBT as a % of DTS operating revenue	<u>7.9%</u>	<u>8.3%</u>	<u>7.0%</u>

The following tables provide numerical reconciliations of net earnings to adjusted net earnings and average shareholders' equity to adjusted average shareholders' equity (Adjusted ROE), and of the non-GAAP elements used to calculate the adjusted return on equity to the corresponding GAAP measures:

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Net earnings (loss)	\$ (122,250)	\$ (24,410)	\$ 284,613
Other items impacting comparability, net ⁽¹⁾	90,379	37,954	21,852
Income taxes ⁽²⁾	(18,333)	(18,951)	102,695
Adjusted earnings (loss) before income taxes	<u>(50,204)</u>	<u>(5,407)</u>	<u>409,160</u>
Adjusted income taxes ⁽³⁾	20,883	12,972	(101,373)
Adjusted net earnings (loss) for adjusted return on equity [A]	<u>\$ (29,321)</u>	<u>\$ 7,565</u>	<u>\$ 307,787</u>
Average shareholders' equity	\$ 2,256,830	\$ 2,532,875	\$ 2,492,956
Average adjustments to shareholders' equity ⁽⁴⁾	59,680	14,988	(78,431)
Adjusted average shareholders' equity [B]	<u>\$ 2,316,510</u>	<u>\$ 2,547,863</u>	<u>\$ 2,414,525</u>
Adjusted return on equity [A/B]	<u>(1.3)%</u>	<u>0.3%</u>	<u>12.7%</u>

(1) Refer to the table above in the Full Year Operating Results by Segment for a discussion on items excluded from our comparable measures and their classification within our Consolidated Statements of Earnings and Note 20, "Other Items Impacting Comparability" in the Notes to Consolidated Financial Statements for additional information.

(2) Includes income taxes on discontinued operations.

(3) Represents provision for income taxes plus income taxes on other items impacting comparability.

(4) Represents the impact of other items impacting comparability, net of tax, to equity for the respective period.

The following table provides a reconciliation of forecasted net cash provided by operating activities to forecasted total cash generated and forecasted free cash flow for 2021:

	Forecast 2021
	(In millions)
Net cash provided by operating activities	\$ 2,200
Sales of revenue earning equipment ⁽¹⁾	500
Total cash generated	<u>2,700</u>
Purchases of property and revenue earning equipment ⁽¹⁾	<u>(2,300 - 2,000)</u>
Forecasted free cash flow	<u>\$400 - \$700</u>

(1) Included in cash flows from investing activities.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Forward-looking statements (within the meaning of the Federal Private Securities Litigation Reform Act of 1995) are statements that relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends concerning matters that are not historical facts. These statements are often preceded by or include the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “will,” “may,” “could,” “should” or similar expressions. This Annual Report contains forward-looking statements including, but not limited to, statements regarding:

- our expectations regarding the impact of COVID-19 on our business and financial results including revenue and cash flow;
- our expectations in our FMS business segment regarding anticipated ChoiceLease revenue, fleet growth and earnings and commercial rental revenue and demand;
- our expectations in our SCS and DTS business segments regarding anticipated operating revenue, trends, earnings, sales activity and growth rates;
- our expectations of the long-term residual values of revenue earning equipment;
- the expected pricing for used vehicles;
- our expectations of cash flow from operating activities, free cash flow, and capital expenditures through the end of 2021;
- the adequacy of our accounting estimates and reserves for pension expense, compensation expense and employee benefit plan obligations, depreciation and residual value guarantees, goodwill impairment, accounting changes, and income taxes;
- our expected future contractual cash obligations and commitments;
- the adequacy of our fair value estimates of employee incentive awards under our share-based compensation plans, publicly traded debt and other debt;
- our ability to fund all of our operating, investing and financial needs for the foreseeable future through internally generated funds and outside funding sources;
- our expected level of use and availability of outside funding sources, anticipated future payments under debt and lease agreements, and risk of losses resulting from counterparty default under hedging and derivative agreements;
- the anticipated impact of fuel price and exchange rate fluctuations;
- our expectations as to return on pension plan assets, future pension expense and estimated contributions;
- our expectations regarding the scope and anticipated outcomes with respect to certain claims, proceedings and lawsuits;
- the ultimate disposition of estimated environmental liabilities;
- our ability to access commercial paper and other available debt financing in the capital markets;
- the size and impact of our strategic investments;
- our expectations regarding the achievement of our return on equity improvement initiatives;
- our expectations regarding the diminishing impact of prior residual value estimate changes on return on equity improvement;
- our expectations regarding maintenance costs and the benefits of maintenance cost initiatives;
- our expectations regarding the benefits of terminating lease insurance;
- our expectations regarding the adequacy of credit reserves;
- the status of our unrecognized tax benefits related to the U.S. federal, state and foreign tax positions;

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

- our estimates for self-insurance loss reserves;
- our expectations regarding losses under guarantees;
- our expectation on the realizability of our deferred tax assets; and
- our expectations regarding the completion and ultimate outcome of certain tax audits.

These statements, as well as other forward-looking statements contained in this Annual Report, are based on our current plans and expectations and are subject to risks, uncertainties and assumptions. We caution readers that certain important factors could cause actual results and events to differ significantly from those expressed in any forward-looking statements. These risk factors include, but are not limited to, the following:

- **Market Conditions:**
 - Changes in general economic and financial conditions in the U.S. and worldwide leading to decreased demand for our services and products, lower profit margins, increased levels of bad debt and reduced access to credit and financial markets.
 - Decreases in freight demand which would impact both our transactional and variable-based contractual business.
 - Changes in our customers' operations, financial condition or business environment that may limit their demand for, or ability to purchase, our services and products.
 - Decreases in market demand affecting the commercial rental market and used vehicle sales as well as global economic conditions.
 - Volatility in customer volumes and shifting customer demand in the industries serviced by our SCS business.
 - Changes in current financial, tax or regulatory requirements that could negatively impact our financial results.
- **Competition:**
 - Advances in technology may impact demand for our services or may require increased investments to remain competitive, and our customers may not be willing to accept higher prices to cover the cost of these investments.
 - Competition from other service providers, some of which have greater capital resources or lower capital costs, or from our customers, who may choose to provide services themselves.
 - Continued consolidation in the markets in which we operate which may create large competitors with greater financial resources.
 - Our inability to maintain current pricing levels due to economic conditions, demand for services, customer acceptance or competition.
- **Profitability:**
 - Our inability to obtain adequate profit margins for our services.
 - Lower than expected sales volumes or customer retention levels.
 - Decreases in commercial rental fleet utilization and pricing.
 - Lower than expected used vehicle sales pricing levels and fluctuations in the anticipated proportion of retail versus wholesale sales.
 - Loss of key customers in our SCS and DTS business segments.
 - Our inability to adapt our product offerings to meet changing consumer preferences on a cost-effective basis.
 - The inability of our legacy information technology systems to provide timely access to data.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

- Sudden changes in fuel prices and fuel shortages.
- Higher prices for vehicles, diesel engines and fuel as a result of new regulations.
- Higher than expected maintenance costs and lower than expected benefits associated with our maintenance initiatives.
- Our inability to successfully execute our strategic returns and asset management initiatives, maintain our fleet at normalized levels and right-size our fleet in line with demand.
- Our key assumptions and pricing structure of our SCS and DTS contracts prove to be inaccurate.
- Increased unionizing, labor strikes and work stoppages.
- Difficulties in attracting and retaining drivers and technicians due to driver and technician shortages, which may result in higher costs to procure drivers and technicians and higher turnover rates affecting our customers.
- Our inability to manage our cost structure.
- Our inability to limit our exposure for customer claims.
- Unfavorable or unanticipated outcomes in legal or regulatory proceedings or uncertain positions.
- Business interruptions or expenditures due to severe weather or natural occurrences.
- Financing Concerns:
 - Higher borrowing costs.
 - Unanticipated interest rate and currency exchange rate fluctuations.
 - Negative funding status of our pension plans caused by lower than expected returns on invested assets and unanticipated changes in interest rates.
 - Withdrawal liability as a result of our participation in multi-employer plans.
 - Instability in U.S. and worldwide credit markets, resulting in higher borrowing costs and/or reduced access to credit.
- Accounting Matters:
 - Reductions in residual values or useful lives of revenue earning equipment.
 - Increases in compensation levels, retirement rate and mortality resulting in higher pension expense; regulatory changes affecting pension estimates, accruals and expenses.
 - Changes in accounting rules, assumptions and accruals.
 - Difficulties and delays in implementing our Enterprise Resource Planning system and related processes.
- Other risks detailed from time to time in our SEC filings, including in “Item 1A.-Risk Factors” of this Annual Report.

New risk factors emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risk factors on our business. As a result, no assurance can be given as to our future results or achievements. You should not place undue reliance on the forward-looking statements contained herein, which speak only as of the date of this Annual Report. We do not intend, or assume any obligation, to update or revise any forward-looking statements contained in this Annual Report, whether as a result of new information, future events or otherwise.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by ITEM 7A is included in ITEM 7 of PART II of this report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
FINANCIAL STATEMENTS

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All other schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

TO THE SHAREHOLDERS OF RYDER SYSTEM, INC.:

Management of Ryder System, Inc., together with its consolidated subsidiaries (Ryder), is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Ryder's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Ryder's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Ryder; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of Ryder's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Ryder's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of Ryder's internal control over financial reporting as of December 31, 2020. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in "Internal Control — Integrated Framework (2013)." Based on our assessment and those criteria, management determined that Ryder maintained effective internal control over financial reporting as of December 31, 2020.

Ryder's independent registered public accounting firm, PricewaterhouseCoopers LLP, has audited the effectiveness of Ryder's internal control over financial reporting as of December 31, 2020. Their report appears on the subsequent page.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Ryder System, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Ryder System, Inc. and its subsidiaries (the “Company”) as of December 31, 2020 and 2019, and the related consolidated statements of earnings, of comprehensive income, of shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2020, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Earning Equipment - Residual Values

As described in Notes 1 and 5 to the consolidated financial statements, the net carrying amount of revenue earning equipment was \$8.8 billion as of December 31, 2020. Depreciation expense was \$1.9 billion primarily related to Fleet Management Solutions (FMS) revenue earning equipment. Revenue earning equipment, comprised of vehicles, is initially recorded at cost inclusive of vendor rebates. The provision for depreciation is computed using the straight-line method. Management periodically reviews and adjusts, as appropriate, the estimated residual values and useful lives of existing revenue earning equipment. Management's review of the estimated residual values and useful lives is established with a long-term view based on vehicle class, generally subcategories of trucks, tractors and trailers by weight, usage and other factors, including but not limited to historical, current and expected future market prices; expected lives of vehicles; and expected sales of used vehicles in the wholesale and retail markets.

The principal considerations for our determination that performing procedures relating to revenue earning equipment - residual values is a critical audit matter are the significant judgment by management when estimating residual values, which in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and in evaluating the significant judgment by management in estimating residual values related to the Company's historical, current and expected future market prices, and expected sales of used vehicles in the wholesale and retail markets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's assessment of, and related adjustments to, the estimated residual values of revenue earning equipment. These procedures also included, among others (i) testing management's process for developing the estimated residual values of revenue earning equipment, (ii) testing the accuracy of the Company's historical used vehicle sales data, (iii) assessing management's estimates of current and expected future market prices of used vehicles and management's assumptions about the expected sales of used vehicles in the wholesale and retail markets, and (iv) testing the calculation of the adjustment to depreciation expense based on updated estimated residual values. Evaluating management's assumptions related to expected future market prices of used vehicles and the expected sales of used vehicles in the wholesale and retail markets involved evaluating whether the assumptions used were reasonable considering (i) past trends in the used vehicle sales market, (ii) the consistency with external market and industry data, and (iii) whether they were consistent with evidence obtained in other areas of the audit.

Goodwill Impairment Assessment - FMS North America Reporting Unit

As described in Notes 1 and 7 to the consolidated financial statements, the Company's consolidated goodwill balance was \$475 million as of December 31, 2020, and the goodwill associated with the FMS North America (FMS NA) reporting unit was \$244 million. Goodwill is tested for impairment at least annually as of October 1 of each year, or more frequently if events or circumstances indicate the carrying value of goodwill may be impaired. If management concludes that it is more likely than not that a reporting unit's fair value is less than its carrying value or if management bypasses the optional qualitative assessment, recoverability of goodwill is assessed by comparing the fair value of the reporting unit with its carrying amount. If a reporting unit's carrying value exceeds its fair value, management would recognize a goodwill impairment loss for the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit. In the first quarter of 2020, management performed an impairment test of the FMS NA reporting unit. Fair value for the FMS NA reporting unit was determined based on a discounted future cash flow model (income approach) and the application of current market multiples for comparable publicly-traded companies (market approach). Under the income approach, the fair value of the FMS NA reporting unit is estimated based on the discounted present value of the projected future cash flows. Management's cash flow projections for the FMS NA reporting unit included significant judgments and assumptions, including revenue growth rates, margins, long-term growth rates, capital requirements, proceeds from the sale of

used vehicles, the ability to utilize tax net operating losses, and the discount rate. Under the market approach, management uses a selection of comparable publicly-traded companies that correspond to the FMS NA reporting unit to derive a market-based multiple.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of the FMS NA reporting unit is a critical audit matter are (i) the significant judgment by management when developing the fair value measurement of the reporting unit, which in turn led to (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating the audit evidence obtained relating to management's valuation models and significant assumptions related to revenue growth rates, margins, and the discount rate, and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the valuation of the FMS NA reporting unit. These procedures also included, among others (i) testing management's process for developing the fair value estimate, (ii) evaluating the appropriateness of the valuation models, (iii) testing the completeness and accuracy of underlying data used in the models, and (iv) evaluating the significant assumptions used by management, related to the revenue growth rates, margins, and discount rate. Evaluating management's assumptions related to the revenue growth rates and margins involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the reporting unit, (ii) the consistency with external market and industry data, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's valuation models and the discount rate.

/s/ PricewaterhouseCoopers LLP
Miami, Florida
February 19, 2021

We have served as the Company's auditor since 2006.

RYDER SYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

	Years ended December 31,		
	2020	2019	2018
	(In thousands, except per share amounts)		
Lease & related maintenance and rental revenues	\$ 3,704,045	\$ 3,784,744	\$ 3,512,867
Services revenue	4,317,992	4,555,692	4,280,834
Fuel services revenue	398,054	585,365	620,245
Total revenues	<u>8,420,091</u>	<u>8,925,801</u>	<u>8,413,946</u>
Cost of lease & related maintenance and rental	3,108,766	3,103,703	2,555,358
Cost of services	3,653,088	3,879,863	3,663,348
Cost of fuel services	382,749	571,658	605,613
Other operating expenses	123,420	121,980	123,964
Selling, general and administrative expenses	921,573	907,449	849,410
Non-operating pension costs	11,167	60,406	7,541
Used vehicle sales, net	(414)	58,706	22,325
Interest expense	261,342	241,381	180,488
Miscellaneous (income) loss, net	(21,855)	(33,642)	(5,422)
Restructuring and other items, net	110,615	56,568	21,852
	<u>8,550,451</u>	<u>8,968,072</u>	<u>8,024,477</u>
Earnings (loss) from continuing operations before income taxes	(130,360)	(42,271)	389,469
Provision for (benefit from) income taxes	(18,364)	(18,999)	102,547
Earnings (loss) from continuing operations	(111,996)	(23,272)	286,922
Earnings (loss) from discontinued operations, net of tax	(10,254)	(1,138)	(2,309)
Net earnings (loss)	<u>\$ (122,250)</u>	<u>\$ (24,410)</u>	<u>\$ 284,613</u>
Earnings (loss) per common share — Basic			
Continuing operations	\$ (2.15)	\$ (0.45)	\$ 5.46
Discontinued operations	(0.21)	(0.03)	(0.04)
Net earnings (loss)	<u>\$ (2.34)</u>	<u>\$ (0.47)</u>	<u>\$ 5.41</u>
Earnings (loss) per common share — Diluted			
Continuing operations	\$ (2.15)	\$ (0.45)	\$ 5.43
Discontinued operations	(0.21)	(0.03)	(0.04)
Net earnings (loss)	<u>\$ (2.34)</u>	<u>\$ (0.47)</u>	<u>\$ 5.38</u>

See accompanying notes to consolidated financial statements.

Note: EPS amounts may not be additive due to rounding.

RYDER SYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Net earnings (loss)	\$ (122,250)	\$ (24,410)	\$ 284,613
Other comprehensive income (loss):			
Changes in cumulative translation adjustment and unrealized loss from cash flow hedges	6,867	30,681	(55,940)
Amortization of pension and postretirement items ⁽¹⁾	40,362	30,305	27,499
Income tax expense related to amortization of pension and postretirement items	(9,090)	(7,059)	(6,422)
Amortization of pension and postretirement items, net of tax	31,272	23,246	21,077
Reclassification of net actuarial loss due to pension settlement	—	34,974	—
Change in net actuarial loss and prior service cost	(16,894)	(7,609)	(83,695)
Income tax benefit (expense) related to pension settlement and change in net actuarial loss and prior service cost	(1,959)	(6,149)	18,327
Change in net actuarial loss and prior service cost, net of taxes	(18,853)	21,216	(65,368)
Other comprehensive income (loss), net of taxes	19,286	75,143	(100,231)
Comprehensive income (loss)	\$ (102,964)	\$ 50,733	\$ 184,382

(1) These amounts are included in the computation of net pension expense. Amortization in 2020 includes the curtailment loss. Refer to Note 18, "Employee Benefit Plans," for additional information.

See accompanying notes to consolidated financial statements.

RYDER SYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2020	2019
	(In thousands, except share amounts)	
Assets:		
Current assets:		
Cash and cash equivalents	\$ 151,294	\$ 73,584
Receivables, net	1,182,350	1,228,490
Inventories	61,191	80,822
Prepaid expenses and other current assets	200,694	179,155
Total current assets	1,595,529	1,562,051
Revenue earning equipment, net	8,777,015	10,427,664
Operating property and equipment, net	927,058	917,799
Goodwill	475,245	475,025
Intangible assets, net	43,216	50,905
Sales-type leases and other assets	1,113,891	1,041,890
Total assets	\$ 12,931,954	\$ 14,475,334
Liabilities and shareholders' equity:		
Current liabilities:		
Short-term debt and current portion of long-term debt	\$ 516,581	\$ 1,154,564
Accounts payable	547,389	594,712
Accrued expenses and other current liabilities	989,178	876,077
Total current liabilities	2,053,148	2,625,353
Long-term debt	6,093,655	6,770,224
Other non-current liabilities	1,403,861	1,442,003
Deferred income taxes	1,125,733	1,161,444
Total liabilities	10,676,397	11,999,024
Commitments and contingencies (Note 21)		
Shareholders' equity:		
Preferred stock, no par value per share — authorized, 3,800,917; none outstanding, December 31, 2020 and 2019	—	—
Common stock, \$0.50 par value per share — authorized, 400,000,000; outstanding, December 31, 2020 — 53,732,033 and December 31, 2019 — 53,278,316	26,866	26,639
Additional paid-in capital	1,132,954	1,108,649
Retained earnings	1,912,942	2,177,513
Accumulated other comprehensive loss	(817,205)	(836,491)
Total shareholders' equity	2,255,557	2,476,310
Total liabilities and shareholders' equity	\$ 12,931,954	\$ 14,475,334

See accompanying notes to consolidated financial statements.

RYDER SYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Cash flows from operating activities from continuing operations:			
Net earnings (loss)	\$ (122,250)	\$ (24,410)	\$ 284,613
Less: Loss from discontinued operations, net of tax	(10,254)	(1,138)	(2,309)
Earnings (loss) from continuing operations	(111,996)	(23,272)	286,922
Depreciation expense	2,027,413	1,878,929	1,388,570
Goodwill impairment charge	—	—	15,513
Used vehicle sales, net	(414)	58,706	22,325
Amortization expense and other non-cash charges, net	115,519	101,289	67,936
Non-cash lease expense	92,227	94,039	87,741
Non-operating pension costs and share-based compensation expense	41,160	86,234	32,493
Deferred income tax expense (benefit)	(32,865)	(32,331)	108,895
Collections on sales-type leases	114,462	121,201	82,803
Changes in operating assets and liabilities, net of acquisitions:			
Receivables	(5,356)	27,149	(193,144)
Inventories	20,094	(1,334)	(5,782)
Prepaid expenses and other assets	(91,969)	(65,185)	(84,727)
Accounts payable	28,863	(26,596)	16,869
Accrued expenses and other non-current liabilities	(15,835)	(78,290)	(108,421)
Net cash provided by operating activities from continuing operations	<u>2,181,303</u>	<u>2,140,539</u>	<u>1,717,993</u>
Cash flows from investing activities from continuing operations:			
Purchases of property and revenue earning equipment	(1,146,521)	(3,735,174)	(3,050,409)
Sales of revenue earning equipment	538,894	465,705	379,716
Sales of operating property and equipment	13,334	52,276	16,606
Acquisitions, net of cash acquired	—	—	(167,372)
Other	(6,704)	—	—
Net cash used in investing activities from continuing operations	<u>(600,997)</u>	<u>(3,217,193)</u>	<u>(2,821,459)</u>
Cash flows from financing activities from continuing operations:			
Net borrowings (repayments) of commercial paper and other	(377,273)	(15,492)	62,147
Debt proceeds	2,084,343	3,016,348	2,283,012
Debt repayments	(3,055,380)	(1,775,685)	(1,128,390)
Dividends on common stock	(119,036)	(116,469)	(111,864)
Common stock repurchased	(29,219)	(27,686)	(30,810)
Other	(10,613)	3,123	11,420
Net cash provided by (used in) financing activities from continuing operations	<u>(1,507,178)</u>	<u>1,084,139</u>	<u>1,085,515</u>
Effect of exchange rates on cash, cash equivalents, and restricted cash	5,132	(4,272)	4,694
Increase (decrease) increase in cash, cash equivalents, and restricted cash from continuing operations	78,260	3,213	(13,257)
Increase (decrease) in cash, cash equivalents, and restricted cash from discontinued operations	(550)	2,260	(1,654)
Increase (decrease) in cash, cash equivalents, and restricted cash	77,710	5,473	(14,911)
Cash, cash equivalents, and restricted cash at January 1	73,584	68,111	83,022
Cash, cash equivalents, and restricted cash at December 31	<u>\$ 151,294</u>	<u>\$ 73,584</u>	<u>\$ 68,111</u>

See accompanying notes to consolidated financial statements.

RYDER SYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Preferred Stock	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Amount	Shares	Par				
	(In thousands, except share amounts)						
Balance at January 1, 2018	\$ —	52,955,314	\$ 26,478	\$ 1,051,017	\$ 2,086,918	\$ (710,836)	\$ 2,453,577
Adoption of new income tax accounting standard	—	—	—	—	100,567	(100,567)	—
Comprehensive income (loss)	—	—	—	—	284,613	(100,231)	184,382
Common stock dividends declared —\$2.12 per share	—	—	—	—	(112,553)	—	(112,553)
Common stock issued under employee stock option and stock purchase plans and other ⁽¹⁾⁽²⁾	—	585,990	293	16,727	—	—	17,020
Common stock repurchases	—	(424,819)	(212)	(8,305)	(22,293)	—	(30,810)
Share-based compensation	—	—	—	24,952	—	—	24,952
Balance at December 31, 2018	—	53,116,485	26,559	1,084,391	2,337,252	(911,634)	2,536,568
Comprehensive income (loss)	—	—	—	—	(24,410)	75,143	50,733
Common stock dividends declared —\$2.20 per share	—	—	—	—	(117,349)	—	(117,349)
Common stock issued under employee stock option and stock purchase plans and other ⁽¹⁾⁽²⁾	—	633,261	316	7,900	—	—	8,216
Common stock repurchases	—	(471,430)	(236)	(9,470)	(17,980)	—	(27,686)
Share-based compensation	—	—	—	25,828	—	—	25,828
Balance at December 31, 2019	—	53,278,316	26,639	1,108,649	2,177,513	(836,491)	2,476,310
Adoption of new measurement of credit losses on financial instruments standard (Refer to Note 2)	—	—	—	—	(5,077)	—	(5,077)
Comprehensive income (loss)	—	—	—	—	(122,250)	19,286	(102,964)
Common stock dividends declared —\$2.24 per share	—	—	—	—	(121,292)	—	(121,292)
Common stock issued under employee stock option and stock purchase plans and other ⁽¹⁾⁽²⁾	—	1,090,715	545	7,261	—	—	7,806
Common stock repurchases	—	(636,998)	(318)	(12,949)	(15,952)	—	(29,219)
Share-based compensation	—	—	—	29,993	—	—	29,993
Balance at December 31, 2020	\$ —	53,732,033	\$ 26,866	\$ 1,132,954	\$ 1,912,942	\$ (817,205)	\$ 2,255,557

(1) Net of common shares delivered as payment for the exercise price or to satisfy the holders' withholding tax liability upon exercise of options.

(2) Represents open-market transactions of common shares by the trustee of Ryder's deferred compensation plans.

See accompanying notes to consolidated financial statements.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation and Presentation

The consolidated financial statements include the accounts of Ryder System, Inc. (Ryder) and all entities in which Ryder has a controlling voting interest (subsidiaries) and variable interest entities (VIEs) where Ryder is determined to be the primary beneficiary in accordance with generally accepted accounting principles in the United States (U.S. GAAP). Ryder is deemed to be the primary beneficiary if we have the power to direct the activities that most significantly impact the entity's economic performance and we share in the significant risks and rewards of the entity. All significant intercompany accounts and transactions have been eliminated in consolidation. We report our financial performance based on three business segments: (1) Fleet Management Solutions (FMS), which provides full service leasing and leasing with flexible maintenance options, commercial rental, and maintenance services of trucks, tractors and trailers to customers principally in the United States (U.S.), Canada and the United Kingdom (U.K.); (2) Supply Chain Solutions (SCS), which provides integrated logistics solutions, including distribution management, dedicated transportation, transportation management, last mile and professional services in North America; and (3) Dedicated Transportation Solutions (DTS), which provides turnkey transportation solutions in the U.S. that includes dedicated vehicles, drivers, management and administrative support.

In 2020, we adjusted our presentation of our revolving credit facility proceeds and repayments in the Consolidated Statements of Cash Flows for 2018 and 2019 from a net basis to reflect a gross basis.

Use of Estimates

The preparation of our consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates are based on management's best knowledge of historical trends, actions that we may take in the future, and other information available when the consolidated financial statements are prepared. Changes in estimates are typically recognized in the period when new information becomes available. Areas where the nature of the estimate make it reasonably possible that actual results could materially differ from the amounts estimated include: depreciation and residual values, employee benefit plan obligations, self-insurance accruals, impairment assessments on long-lived assets (including goodwill and indefinite-lived intangible assets), allowance for credit losses, income tax and deferred tax liabilities, and contingent liabilities.

COVID-19

The coronavirus (COVID-19) pandemic has negatively impacted several areas of our businesses. In our FMS business segment, we experienced lower demand for commercial rental and declines in the used vehicle market through the second quarter (refer to Note 5, "Revenue Earning Equipment, net," for additional information on residual value estimate changes in the first half of 2020). During the second half of 2020, we started to experience a steady recovery in these areas as compared to the second quarter. In our SCS business segment, we experienced a deterioration in customer activity during the first half of 2020, primarily due to the temporary shutdowns in the automotive industry, which restarted their operations during the second quarter and are generally at normal operating levels. In addition, we experienced a slowdown in our sales growth opportunities in all of our businesses primarily through the third quarter. We established additional credit loss reserves during the year due to our expectations for COVID-19 related payment activity as a result of increased bankruptcies or insolvencies, or a delay in payments. We have attempted to mitigate the adverse impacts from the pandemic through cost reduction measures, including lower discretionary and overhead spending, and a reduction in capital expenditures, as well as temporary employee furloughs which primarily occurred in the second quarter. In addition, we took actions to reduce headcount at the end of the second quarter, primarily in our North American and U.K. FMS operations. In the fourth quarter of 2020, we recognized and paid a one-time, special recognition and retention bonus of approximately \$28 million to our front-line non-incentive compensation plan eligible employees in recognition of the work performed during the pandemic.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, provides for an acceleration of alternative minimum tax credit refunds, the deferral of certain employer payroll taxes, the availability of an employee retention credit, and expands the availability of net operating loss usage. In addition, other governments in state, local and foreign jurisdictions in which we operate have also enacted certain relief measures. We continue to monitor new and updated legislation, however the provisions enacted have not had a material impact on our financial statements or liquidity position.

Depending on the extent and duration of the pandemic and the related economic impacts, it may have a further impact on our business and financial results, as well as on significant judgments and estimates, including those related to goodwill and

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

other asset impairments, residual values and other depreciation assumptions, deferred income taxes and annual effective tax rates, variable revenue considerations, the valuation of our pension plans, and allowance for credit losses.

Cash Equivalents

Cash equivalents represent investments in short-term, interest-bearing instruments with maturities of three months or less at the date of purchase and are stated at cost.

Revenue Recognition

We generate revenue primarily through contracts with customers to lease, rent and maintain revenue earning equipment and to provide logistics management and dedicated transportation services. We enter into contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. We account for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are determined, the contract has commercial substance, and collectibility of consideration is probable.

We generally recognize revenue over time as we provide the promised products or services to our customers in an amount we expect to receive in exchange for those products or services. Revenue is recognized net of amounts collected from customers for taxes, such as sales tax, that are remitted to the applicable taxing authorities.

Lease & related maintenance and rental

Lease & related maintenance and rental revenues include ChoiceLease and commercial rental revenues from our FMS business segment. We offer a full service lease as well as a lease with more flexible maintenance options under our ChoiceLease product line. Our ChoiceLease product is marketed, priced and managed as a bundled service. We do not offer a stand-alone lease of a vehicle. We offer rental of vehicles under our commercial rental product line, which allows customers to supplement their fleet of vehicles on a short-term basis.

Our ChoiceLease product line includes the lease of a vehicle (lease component) and maintenance and other services (non-lease component). We generally lease new vehicles to our customers. Consideration is allocated between the lease and non-lease components based on management's best estimate of the relative stand-alone selling price of each component. For further information regarding our stand-alone selling price estimation process, refer to the "Significant Judgments and Estimates" section below.

Our ChoiceLease product provides for a fixed charge and a variable charge based on mileage or time usage. Fixed charges are typically billed at the beginning of the month and variable charges are typically billed a month in arrears. Revenue from the lease component of ChoiceLease agreements is recognized based on the classification of the arrangement, typically as either an operating or a sales-type lease. The majority of our leases are classified as operating leases and we recognize revenue for the lease component of these agreements on a straight-line basis. The non-lease component for maintenance services are not typically performed evenly over the life of a ChoiceLease contract as the level of maintenance provided generally increases as vehicles age. Therefore, we recognize maintenance revenue consistent with the estimated pattern of the costs to maintain the underlying vehicles. This generally results in the recognition of deferred revenue for the portion of the customer's billings allocated to the maintenance service component of the agreement.

Our commercial rental product includes the short-term rental of a vehicle (one day up to one year in length). All of our rental arrangements are classified as operating leases and revenue is recognized on a straight-line basis.

Lease and rental agreements do not usually provide for scheduled rent increases or escalations. However, most lease agreements allow for rate changes based upon changes in the Consumer Price Index (CPI). Lease and rental agreements also provide for variable usage charges based on a time charge and/or a fixed per-mile charge. The time charge, the per-mile charge and the changes in rates attributed to changes in the CPI are considered contingent revenue. Therefore, these charges are not considered fixed or determinable until the equipment usage or CPI change occurs and are excluded from the allocation of consideration at the inception of the contract. Revenues associated with licensing and operating taxes that are billed as incurred based on the contract arrangement are also excluded from the allocation of consideration at contract inception and allocated as earned.

Variable consideration, such as billing for mileage and changes in CPI as well as licensing and operating tax revenues, is allocated to the lease and maintenance components based on the same allocation percentages at contract inception (or the most

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

recent contract modification) when earned. Variable consideration allocated to the lease component is recognized in revenue as earned and variable consideration allocated to the non-lease component is recognized in revenue using an input method, consistent with the estimated pattern of maintenance costs for the remainder of the contract term.

Leases not classified as operating leases are considered sales-type leases. We recognize revenue for sales-type leases using the effective interest method, which provides a constant periodic rate of return on the outstanding investment in the lease. We lease new or used vehicles under our sales-type lease arrangements. However, there is generally not a significant difference between the net investment in the lease and the carrying value of the vehicles; therefore, we generally do not recognize selling profit or loss in our results of operations at lease commencement.

Services

Services revenue includes all SCS and DTS revenues, as well as SelectCare and other revenues from our FMS business segment. In our SCS business segment, we offer a broad range of logistics management services designed to optimize the supply chain and address the key business requirements of our customers supported by a variety of technology and engineering solutions. SCS operates by industry verticals (Automotive, Technology and Healthcare, Consumer Packaged Goods and Retail, and Industrial and Other) to enable our teams to focus on the specific needs of our customers. In our DTS business segment, we combine equipment, maintenance, drivers, administrative services and additional services to provide customers with a single integrated dedicated transportation solution. DTS transportation solutions are customized for our customers based on a transportation analysis to optimize vehicle capacity and overall asset utilization.

Revenues from SCS and DTS service contracts are recognized as services are rendered in accordance with contract terms. SCS and DTS contracts typically include (1) fixed and variable billing rates, (2) cost-plus billing rates (input method based on actual costs incurred to perform services and a contracted mark-up), or (3) variable only or fixed only billing rates for the services. Our billing structure aligns with the value transferred to our customers. We generally have a right to consideration in an amount that corresponds directly with the value we have delivered to the customer.

Our customers contract us to provide an integrated service of transportation or supply chain logistical services into a single transportation or supply chain solution. Therefore, we typically recognize SCS and DTS service contracts as one performance obligation satisfied over time. We generally sell a customized customer-specific solution and use the expected cost plus a margin approach to estimate the stand-alone selling price of each performance obligation.

Under our SelectCare arrangements, we provide maintenance and repairs required to keep a vehicle in good operating condition, perform preventive maintenance inspections, provide access to emergency road service, and substitute vehicles. We provide these maintenance services to customers who choose not to lease our vehicles. The vast majority of our services are routine and performed on a recurring basis throughout the term of the arrangement. From time to time, we provide non-routine major repair services in order to place a vehicle back in service.

Our maintenance service arrangement provides for a monthly fixed charge and a monthly variable charge based on mileage or time usage. Fixed charges are typically billed at the beginning of the month for the services to be provided that month, while variable charges are typically billed a month in arrears. Most maintenance agreements allow for rate changes based upon changes in the CPI. The fixed per-mile charge and the changes in rates attributed to changes in the CPI are recognized as earned.

The maintenance service is the only performance obligation in SelectCare contracts. For contract maintenance agreements, revenue is recognized as maintenance services are rendered over the terms of the related arrangements. We generally account for long-term maintenance contracts as one-year contracts since our maintenance arrangements are typically cancellable, without penalty, after one year. For transactional maintenance services, revenue is recognized at the point in time when the service is provided.

Costs associated with the activities performed under our maintenance arrangements are primarily comprised of labor, parts and outside repair work and are expensed as incurred. Non-chargeable maintenance costs have been allocated and reflected within "Cost of services" based on the proportionate maintenance-related labor costs relative to all product lines.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Fuel Services

Fuel services revenue is reported in our FMS business segment. We provide our FMS customers with access to fuel at our maintenance facilities across the U.S. and Canada. Fuel services revenue is invoiced to customers at contracted rates separate from other services being provided in other contracts, or at retail prices. Revenue from fuel services is recognized when fuel is delivered to customers. Fuel is largely a pass-through to our customers, for which we realize minimal changes in profitability during periods of steady market fuel prices. However, profitability may be positively or negatively impacted by sudden increases or decreases in market fuel prices during a short period of time as customer pricing for fuel services is established based on trailing market fuel costs.

Significant Judgments and Estimates

We allocate the contract consideration from our ChoiceLease arrangements between the lease and maintenance components based on the relative stand-alone selling prices of each of those services. We do not sell the lease component of our ChoiceLease product offering on a stand-alone basis, therefore significant judgment is required to determine the stand-alone selling price of the lease component. We sell maintenance services separately through our SelectCare arrangements.

For the lease component, we estimate the stand-alone selling price using the projected cash outflows related to the underlying leased vehicle, net of the estimated disposal proceeds, and a certain targeted return considering our weighted average cost of capital. For the non-lease component of the contract, we estimate the stand-alone selling price of the maintenance component using an expected cost-plus margin approach. The expected costs are based on our history of providing maintenance services in our ChoiceLease arrangements. The margin is based on the historical margin percentages for our full service maintenance contracts in the SelectCare product line, as the maintenance performance obligation in those contracts is similar to our ChoiceLease arrangements.

Our SCS and DTS contracts often include promises to transfer multiple services to a customer. Our SCS and DTS services provided within a contract depend on a significant level of integration and interdependency between the services. Judgment is required to determine whether each service is considered distinct and accounted for as a separate performance obligation, or accounted for together as a significant integrated service and recognized over time. In making this judgment, we consider whether the services provided, within the context of the contract, represent the transfer of individual services or a combined bundle of services to the customer. This involves evaluating the promises to a customer within a contract to identify the services that need to be performed in order for the promise to be satisfied. Since multiple services that occur at different points in time during a contract may be accounted for as an integrated service, judgment is required to assess the pattern of delivery to our customers.

Contract Balances

We record a receivable related to revenue recognized when we have an unconditional right to invoice. We do not have material contract assets as we generally invoice customers as we perform services. We have elected to not assess whether a contract has a significant financing component as the period between the receipt of customer payment and the transfer of service to the customer is less than a year. Refer to Note 4, "Receivables, Net" for the amount of our trade receivables.

Our contract liabilities consist of deferred revenue, which primarily relates to payments received or due in advance of performance for the maintenance services component of our ChoiceLease product. Changes in contract liabilities are due to the collection of cash or the satisfaction of our performance obligation under the contract. Refer to Note 3, "Revenue," for further information.

Costs to Obtain and Fulfill a Contract

Our incremental direct costs of obtaining and fulfilling a contract, which primarily consist of sales commissions and start-up costs, are capitalized and amortized over the period of contract performance or a longer period, generally, the estimated life of the customer relationship if renewals are expected and the renewal commission is not commensurate with the initial commission. We capitalize incremental direct costs of obtaining a contract that (1) relate directly to the contract and (2) are expected to be recovered through revenue generated under the contract. This requires an evaluation of whether the costs are incremental and would not have occurred absent the customer contract.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Capitalized sales commissions related to our ChoiceLease product are amortized based on the same pattern as the revenue is recognized for the underlying lease or non-lease components of the contract; generally on a straight-line basis for the lease component and consistent with the estimated pattern of maintenance costs for the non-lease component. We allocate the ChoiceLease commissions to the lease and non-lease components based on the same allocation of the contract consideration. The amortization period aligns with the term of our contract, which typically ranges from three to seven years.

Capitalized sales commissions related to our SCS and DTS service contracts are generally amortized on a straight-line basis consistent with the pattern that revenue is recognized for the underlying contracts. The amortization period aligns with the expected term of the contract, which typically ranges from three to five years.

The incremental costs to obtain and fulfill a contract are included in "Sales-type leases and other assets" in the Consolidated Balance Sheets. Costs are primarily amortized in "Selling, general and administrative expenses" in the Consolidated Statements of Earnings over the expected period of benefit. Refer to Note 3, "Revenue," for further discussion.

Allowance for Credit Losses and Other

On January 1, 2020, we adopted the new accounting guidance related to the allowance for credit losses on our trade receivables and sales-type leases. As a result of the adoption, we increased our allowance for credit losses and reduced retained earnings as of January 1, 2020. The impact of adoption of this standard was not material. We also maintain an allowance for billing adjustments related to certain discounts and other customer concessions. The estimates to determine the allowance are updated regularly based on our review of historical loss rates, as well as current and expected events impacting our business segments, current collection trends and historical billing adjustments. Amounts are charged against the allowance when the receivable is determined to be uncollectible.

When a business relationship with a customer is initiated, we evaluate collectability from the customer and it is continuously monitored as services are provided. We have a credit rating system based on internally developed standards and ratings provided by third parties. Our credit rating system, along with monitoring for delinquent payments, allows us to make decisions as to whether collectability is probable at the on-set of the relationship and subsequently as we offer services. Factors considered during this process include historical payment trends, industry risks, liquidity of the customer, years in business, judgments, liens, and bankruptcies. Payment terms vary by contract type, although terms generally include a requirement of payment within 15 to 90 days. Due to the COVID-19 pandemic, we temporarily extended payment terms for certain customers in the second quarter of 2020, which we have elected not to assess as a lease modification for our ChoiceLease customers. The majority of these customers have since reverted back to their original standard payment terms. We continue to actively monitor the impact of the COVID-19 pandemic on expected credit losses.

Leases

Leases as Lessor

We lease revenue earning equipment to customers for periods generally ranging from three to seven years for trucks and tractors and up to ten years for trailers. We determine if an arrangement is or contains a lease at inception. The standard lease agreement for revenue earning equipment provides both parties the right to terminate; therefore, we evaluate whether the lessee is reasonably certain to exercise the termination option in order to determine the appropriate lease term. If we terminate, the customer has the right (but not obligation) to purchase the vehicle. If the customer terminates, we have the option to require the customer to purchase the vehicle or pay a termination penalty. Our leases generally do not provide either party an option to renew the lease. We also rent revenue earning equipment to customers on a short-term basis, from one day up to one year in length. From time to time, we may also lease facilities to third parties. The majority of our leases are classified as operating leases. However, some of our revenue earning equipment leases are classified as sales-type leases. Refer to Note 5, "Revenue Earning Equipment, Net" for further information on our estimates of residual values and useful lives of revenue earning equipment which impact our sales-type leases.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Leases as Lessee

We lease facilities, revenue earning equipment, material handling equipment, automated washing machines, vehicles and office equipment from third parties. We determine if an arrangement is or contains a lease at inception. Operating lease right-of-use (ROU) assets, which represent our right to use an underlying asset for the lease term, and operating lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. As most of our leases do not provide an implicit rate of return, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. Operating lease ROU assets also exclude lease incentives received. We pay variable lease charges related to property taxes, insurance and maintenance as well as changes in CPI for leased facilities; usage of revenue earning equipment, automated washing machines, vehicles and office equipment; and hours of operation for material handling equipment. For leases with a term of 12 months or less, with the exception of our real estate leases, we do not recognize a ROU asset or liability and recognize lease payments in our income statement on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred.

Lease terms for facilities are generally three to five years with one or more five-year renewal options and the lease terms for revenue earning equipment, material handling equipment, automated washing machines, vehicles and office equipment typically range from three to seven years with no extension options. Certain of our material handling equipment leases have residual value guarantees. For purposes of calculating operating lease ROU assets and operating lease liabilities, lease terms may be deemed to include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Macroeconomic conditions are the primary factor used to estimate whether an option to extend a lease term will be exercised or not. None of our leasing arrangements contain restrictive financial covenants. Lease expense is primarily included in "Other operating expenses" and "Selling, general and administrative expenses" in the Consolidated Statements of Earnings. Refer to Note 11, "Leases," for additional information.

Inventories

Inventories, which consist primarily of fuel, tires and vehicle parts, are valued at the lower of cost using the weighted-average cost basis, or net realizable value.

Revenue Earning Equipment, Operating Property and Equipment, and Depreciation

Revenue earning equipment, comprised of vehicles, and operating property and equipment are initially recorded at cost inclusive of vendor rebates. Revenue earning equipment and operating property and equipment recognized as finance leases are initially recorded at the lower of the present value of the lease payments to be made over the lease term or fair value. Vehicle repairs and maintenance that extend the life or increase the value of a vehicle are capitalized, whereas ordinary repairs and maintenance (including tire replacement or repair) are expensed as incurred. Direct costs incurred in connection with developing or obtaining internal-use software are capitalized. Costs incurred during the preliminary stage of a software development project, as well as maintenance and training costs, are expensed as incurred.

Leasehold improvements are depreciated over the shorter of their estimated useful lives or the term of the related lease. If a substantial additional investment is made in a leased property during the term of the lease, we re-evaluate the lease term to determine whether the investment, together with any penalties related to non-renewal, would constitute an economic penalty such that the renewal appears to be reasonably assured.

Provision for depreciation is computed using the straight-line method on all depreciable assets. Depreciation expense has been recognized throughout the Consolidated Statements of Earnings depending on the nature of the related asset. We periodically review and adjust, as appropriate, the estimated residual values and useful lives of existing revenue earning equipment for purposes of recording depreciation expense. Refer to Note 5, "Revenue Earning Equipment, Net," for additional information.

We routinely dispose of used revenue earning equipment as part of our FMS business. Refer to Note 5, "Revenue Earning Equipment, Net" for more information. Gains and losses on sales of operating property and equipment are reflected in "Miscellaneous income, net" in the Consolidated Statements of Earnings.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of the underlying acquired net tangible and intangible assets. Goodwill and other intangible assets with indefinite useful lives are not amortized, but rather, are tested for impairment at least annually as of October 1 of each year, or more frequently if events or circumstances indicate the carrying value of goodwill may be impaired. In evaluating goodwill for impairment, we have the option to first assess qualitative factors to determine whether further impairment testing is necessary, such as macroeconomic conditions, changes in our industry and the markets in which we operate, and our market capitalization as well as our reporting units' historical and expected future financial performance.

If we conclude that it is more likely than not that a reporting unit's fair value is less than its carrying value or we bypass the optional qualitative assessment, recoverability is assessed by comparing the fair value of the reporting unit with its carrying amount. If a reporting unit's carrying value exceeds its fair value, we would recognize a goodwill impairment loss for the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

Our estimate of fair value for reporting units is determined based on a combination of a market and an income approach. Under the market approach, we use a selection of comparable publicly-traded companies that correspond to the reporting unit to derive a market-based multiple. Under the income approach, the fair value of the reporting unit is estimated based on the discounted present value of the projected future cash flows. Rates used to discount cash flows are dependent upon interest rates and the cost of capital based on our industry and capital structure, adjusted for equity and size risk premiums based on market capitalization. Estimates of future cash flows are dependent on our knowledge and experience about past and current events and significant judgments and assumptions about conditions we expect to exist, including revenue growth rates, margins, long-term growth rates, capital requirements, proceeds from the sale of used vehicles, the ability to utilize our tax net operating losses, and the discount rate. Our estimates of cash flows are also based on historical and future operating performance, economic conditions and actions we expect to take. In addition to these factors, our SCS and DTS reporting units are dependent on several key customers or industry sectors. The loss of a key customer may have a significant impact to our SCS or DTS reporting units, causing us to assess whether or not the event resulted in a goodwill impairment loss.

There are inherent uncertainties related to these factors and management's judgment in applying them to the analysis of goodwill impairment. It is possible that assumptions underlying the impairment analysis will change in such a manner that impairment in value may occur in the future.

Indefinite-lived intangible assets, consisting of our trade name, are assessed for impairment when circumstances indicate that the carrying amount may not be recoverable. The assessment is consistent with the process used to evaluate goodwill impairment. Intangible assets with finite lives are amortized over their respective estimated useful lives. Identifiable intangible assets that are subject to amortization are evaluated for impairment as described below.

Impairment of Long-Lived Assets Other than Goodwill and Indefinite-Lived Intangible Assets

Long-lived assets held and used, including revenue earning equipment, operating property and equipment, and intangible assets with finite lives, are tested for recoverability when circumstances indicate that the carrying amount of assets may not be recoverable. Recoverability of long-lived assets is evaluated by comparing the carrying value of an asset or asset group to management's best estimate of the undiscounted future operating cash flows (excluding interest charges) expected to be generated by the asset or asset group. If these comparisons indicate that the carrying value of the asset or asset group is not recoverable, an impairment loss is recognized for the amount by which the carrying value of the asset or asset group exceeds its estimated fair value. Long-lived assets to be disposed of, including revenue earning equipment and operating property and equipment, are reported at the lower of carrying amount or fair value less costs to sell.

Self-Insurance Accruals

We retain a portion of the accident risk under auto liability, workers' compensation and other insurance programs. Under our insurance programs, we retain the risk of loss in various amounts, generally up to \$3 million on a per occurrence basis. Self-insurance accruals are based primarily on an actuarially estimated, undiscounted cost of claims, which includes claims incurred but not reported. Historical loss development factors are utilized to project the future development of incurred losses, and these amounts are adjusted based upon actual claim experience and settlements. While we believe that the amounts are adequate, there can be no assurance that changes to our actuarial estimates may not occur due to limitations inherent in the estimation process. Changes in the actuarial estimates of these liabilities are charged or credited to earnings in the period determined.

RYDER SYSTEM, INC. AND SUBSIDIARIES
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Amounts estimated to be paid within the next year have been classified as “Accrued expenses and other current liabilities” with the remainder included in “Other non-current liabilities” in the Consolidated Balance Sheets.

We also maintain additional insurance at certain amounts in excess of our respective underlying retention. Amounts recoverable from insurance companies are not offset against the related liability as our insurance policies do not extinguish or provide legal release from the obligation to make payments related to such risk-related losses. Amounts expected to be received within the next year from insurance companies have been included within “Receivables, net” with the remainder included in “Sales-type leases and other assets” and are recognized only when realization of the claim for recovery is considered probable.

Income Taxes

Our provision for income taxes is based on reported earnings before income taxes. Deferred taxes are recognized for the future tax effects of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, using tax rates in effect for the years in which the differences are expected to reverse.

Valuation allowances are recognized to reduce deferred tax assets to the amount that is more likely than not to be realized. In assessing the likelihood of realization, we consider estimates of future sources of taxable income. We calculate our current and deferred tax position based on estimates and assumptions that could differ from the actual results reflected in income tax returns filed in subsequent years. Adjustments based on filed returns are recorded when identified.

We are subject to tax audits in numerous jurisdictions in the U.S. and around the world. Tax audits by their very nature are often complex and can require several years to complete. In the normal course of business, we are subject to challenges from the Internal Revenue Service and other tax authorities regarding amounts of taxes due. These challenges may alter the timing or amount of taxable income or deductions, or the allocation of income among tax jurisdictions. As part of our calculation of the provision for income taxes on earnings, we determine whether the benefits of our tax positions are at least more likely than not of being sustained upon audit based on the technical merits of the tax position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Such accruals require management to make estimates and judgments with respect to the ultimate outcome of a tax audit. Actual results could vary materially from these estimates. We adjust these reserves as well as the impact of any related interest and penalties in light of changing facts and circumstances, such as the progress of a tax audit.

Interest and penalties related to income tax exposures are recognized as incurred and included in “Provision for (benefit from) income taxes” in the Consolidated Statements of Earnings. Accruals for income tax exposures, including penalties and interest, expected to be settled within the next year are included in “Accrued expenses and other current liabilities” with the remainder included in “Other non-current liabilities” in the Consolidated Balance Sheets. The federal benefit from state income tax exposures is included in “Deferred income taxes” in the Consolidated Balance Sheets.

Severance and Contract Termination Costs

We recognize liabilities for severance and contract termination costs based upon the nature of the cost to be incurred. For involuntary separation plans that are completed within the guidelines of our written involuntary separation plan, we recognize the liability when it is probable and reasonably estimable. For one-time termination benefits, such as additional severance pay or benefit payouts, and other exit costs, such as contract termination costs, the liability is measured and recognized initially at fair value in the period in which the liability is incurred, with subsequent changes to the liability recognized as adjustments in the period of change. Severance related to position eliminations that are part of a restructuring plan is included in “Restructuring and other items, net” in the Consolidated Statements of Earnings. Severance costs that are not part of a restructuring plan are recognized in the period incurred as a direct cost of revenue or within “Selling, general and administrative expenses” in the Consolidated Statements of Earnings depending upon the nature of the eliminated position.

Environmental Expenditures

We recognize liabilities for environmental matters when it is probable a loss has been incurred and the costs can be reasonably estimated. Environmental liability estimates may include costs such as anticipated site testing, consulting, remediation, disposal, post-remediation monitoring and legal fees, as appropriate. The liability does not reflect possible recoveries from insurance companies or reimbursement of remediation costs by state agencies, but does include estimates of cost sharing with other potentially responsible parties. Estimates are not discounted, as the timing of the anticipated cash payments is not fixed or readily determinable. Subsequent adjustments to initial estimates are recognized as necessary based

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

upon additional information developed in subsequent periods. In future periods, new laws or regulations, advances in remediation technology, or additional information about the ultimate remediation methodology to be used could significantly change our estimates. Claims for reimbursement of remediation costs are recognized when recovery is deemed probable.

Derivative Instruments and Hedging Activities

We use financial instruments, including forward exchange contracts and swaps, to manage our exposures to movements in interest rates and foreign currency exchange rates. The use of these financial instruments modifies our exposure of these rate movement risks with the intent to reduce the risk or cost to us. We do not expect to incur any losses as a result of counterparty default as we only enter into contracts with counterparties comprised of large banks and financial institutions that meet established credit criteria.

On the date a derivative contract is executed, we formally document, among other items, the intended hedging designation and relationship, along with the risk management objectives and strategies for entering into the derivative contract. We also formally assess, both at inception and on an ongoing basis, whether the derivatives we used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. Cash flows from derivatives that are accounted for as hedges are classified in the Consolidated Statements of Cash Flows in the same category as the items being hedged. When it is determined that a derivative is not highly effective as a hedge or that it has ceased to be a highly effective hedge, we discontinue hedge accounting prospectively. The fair value of our derivatives was not material as of December 31, 2020 and 2019.

Foreign Currency Translation

Our foreign operations generally use local currency as their functional currency. Assets and liabilities of these operations are translated at the exchange rates in effect on the balance sheet date. Items in the Consolidated Statements of Earnings are translated at the average exchange rates. The related translation adjustments are recorded in "Accumulated other comprehensive loss" in the Consolidated Balance Sheets. Gains and losses resulting from foreign currency transactions are recognized in "Miscellaneous income, net" in the Consolidated Statements of Earnings.

Share-Based Compensation

The fair value of stock option awards and unvested restricted stock awards are expensed on a straight-line basis over the vesting period of the awards. Restricted stock units (RSUs) are expensed in the year they are granted. Windfall tax benefits and tax shortfalls are charged directly to income tax expense.

Earnings Per Share

Earnings per share is computed using the two-class method. The two-class method of computing earnings per share is an earnings allocation formula that determines earnings per share for common stock and any participating securities according to dividends declared (whether paid or unpaid) and participation rights in undistributed earnings. RSUs are considered participating securities since the share-based awards contain a non-forfeitable right to dividend equivalents irrespective of whether the awards ultimately vest. Under the two-class method, earnings per common share are computed by dividing the sum of distributed earnings to common shareholders and undistributed earnings allocated to common shareholders by the weighted average number of common shares outstanding for the period. In applying the two-class method, undistributed earnings are allocated to both common shares and participating securities based on the weighted average shares outstanding during the period.

Diluted earnings per common share reflect the dilutive effect of potential common shares from stock options and other nonparticipating unvested stock. The dilutive effect of stock options is computed using the treasury stock method, which assumes any proceeds that could be obtained upon the exercise of stock options or vesting of stock awards would be used to purchase common shares at the average market price for the period. The assumed proceeds include the purchase price the grantee pays and the unrecognized compensation expense at the end of each period. For periods where we recognize a net loss, any unvested award would have an anti-dilutive impact to our earnings per share calculation.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Share Repurchases

Repurchases of shares of common stock are made periodically in open-market transactions and are subject to market conditions, legal requirements and other factors. The cost of share repurchases is allocated between additional paid-in capital and retained earnings based on the amount of additional paid-in capital at the time of the share repurchase.

Defined Benefit Pension and Postretirement Benefit Plans

The funded status of our defined benefit pension plans and postretirement benefit plans are recognized in the Consolidated Balance Sheets. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation. The fair value of plan assets represents the current market value of contributions made to irrevocable trusts, held for the sole benefit of participants, which are invested by the trusts. For defined benefit pension plans, the benefit obligation represents the actuarial present value of benefits expected to be paid upon retirement. For postretirement benefit plans, the benefit obligation represents the actuarial present value of postretirement benefits attributed to employee services already rendered. Overfunded plans, with the fair value of plan assets exceeding the benefit obligation, are aggregated and reported as a pension asset. Underfunded plans, with the benefit obligation exceeding the fair value of plan assets, are aggregated and reported as a pension and postretirement benefit liability.

The current portion of pension and postretirement benefit liabilities represents the actuarial present value of benefits payable within the next year exceeding the fair value of plan assets (if funded), measured on a plan-by-plan basis. These liabilities are recognized in “Accrued expenses and other current liabilities” in the Consolidated Balance Sheets.

Pension and postretirement benefit expense includes service cost, interest cost, expected return on plan assets, amortization of net prior service costs loss/credit and net actuarial loss/gain as well as the impact of any settlement or curtailment. Service cost represents the actuarial present value of participant benefits earned in the current year. The expected return on plan assets represents the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the obligation. Prior service cost represents the impact of plan amendments. Net actuarial losses arise as a result of differences between actual experience and assumptions or as a result of changes in actuarial assumptions. Both are initially recognized in “Accumulated other comprehensive loss” in the Consolidated Balance Sheets and are subsequently amortized as a component of pension and postretirement benefit expense generally over the remaining life expectancy.

The measurement of benefit obligations and pension and postretirement benefit expense is based on estimates and assumptions approved by management. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain assumptions, including estimates of discount rates, expected return on plan assets, rate of compensation increases, interest rates and mortality rates.

Fair Value Measurements

We carry various assets and liabilities at fair value in the Consolidated Balance Sheets, including vehicles held for sale, investments held in Rabbi Trusts and pension assets.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair value measurements are classified based on the following fair value hierarchy:

- Level 1** Quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2** Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs for the asset or liability. These inputs reflect our own assumptions about the assumptions a market participant would use in pricing the asset or liability.

When available, we use unadjusted quoted market prices to measure fair value and classify such measurements within Level 1. If quoted prices are not available, fair value is based upon model-driven valuations that use current market-based or

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

independently sourced market parameters such as interest rates and currency rates. Items valued using these models are classified according to the lowest level input or value driver that is significant to the valuation.

The carrying amounts reported in the Consolidated Balance Sheets for cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to the immediate or short-term maturities of these financial instruments. Revenue earning equipment held for sale is measured at fair value on a nonrecurring basis and is stated at the lower of carrying amount or fair value less costs to sell. Investments held in Rabbi Trusts and derivatives are carried at fair value on a recurring basis. Investments held in Rabbi Trusts include exchange-traded equity securities and mutual funds. Fair values for these investments are based on quoted prices in active markets. Refer to Note 18, "Employee Benefit Plans," for further information regarding pension assets.

2. RECENT ACCOUNTING PRONOUNCEMENTS

Reference Rate Reform

In March 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-04, Reference Rate Reform (Topic 848). This update provides optional expedients for a limited time for U.S. GAAP to contracts, hedging relationships, and other transactions that reference LIBOR or another rate expected to be discontinued at the end of 2021 due to reference rate reform. The update is effective immediately and may be applied prospectively to contracts and other transactions entered into or evaluated on or before December 31, 2022. We are currently evaluating the impact on our consolidated financial position, results of operations, and cash flows.

Income Taxes

In December 2019, the FASB issued ASU No. 2019-12, Simplifying the Accounting for Income Taxes (Topic 740). This pronouncement enhances and simplifies various aspects of income tax accounting guidance. Among other things, the amendment removes the year-to-date loss limitations in interim-period tax accounting and requires entities to reflect the effect of an enacted change in tax laws in the interim period that includes the enactment date of the new legislation. We adopted this update in the first quarter of 2020, under the modified retrospective basis and prospective transition approaches, and it did not have a material impact on our consolidated financial position, results of operations, and cash flows.

Cloud Computing Arrangements

In August 2018, the FASB issued ASU No. 2018-15, Intangibles - Goodwill and Other - Internal Use Software (Topic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract, which addresses a customer's accounting for implementation costs incurred in a cloud computing arrangement (CCA) that is a service contract. The new standard aligns the accounting for costs incurred to implement a CCA that is a service arrangement with the guidance on capitalizing costs associated with developing or obtaining internal-use software. We adopted the new standard prospectively on January 1, 2020 and it did not have a material impact on our consolidated financial position, results of operations, and cash flows.

Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326). The new standard modifies the measurement of expected credit losses of certain financial instruments, including accounts receivable (excluding those related to operating leases) and net investments in sales-type leases. Among other things, these amendments require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The standard requires a cumulative-effect adjustment to the statement of financial position as of the beginning of the first reporting period in which the guidance is effective. Periods prior to the adoption date that are presented for comparative purposes are not adjusted. We adopted this new standard as of January 1, 2020 and it did not have a material impact on our consolidated financial position, results of operations, and cash flows.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

3. REVENUE

Disaggregation of Revenue

The following tables disaggregate our revenue by primary geographical market by our reportable business segments and by industry for SCS. Refer to Note 23, “Segment Reporting”, for the disaggregation of our revenue by major product/service lines.

Primary Geographical Markets

	Year ended December 31, 2020				
	FMS	SCS	DTS	Eliminations	Total
	(In thousands)				
United States	\$ 4,646,290	\$ 2,146,936	\$ 1,229,374	\$ (506,884)	\$ 7,515,716
Canada	269,198	207,911	—	(17,286)	459,823
Europe	254,979	—	—	—	254,979
Mexico	—	189,573	—	—	189,573
Total revenue	<u>\$ 5,170,467</u>	<u>\$ 2,544,420</u>	<u>\$ 1,229,374</u>	<u>\$ (524,170)</u>	<u>\$ 8,420,091</u>

	Year ended December 31, 2019				
	FMS	SCS	DTS	Eliminations	Total
	(In thousands)				
United States	\$ 4,965,461	\$ 2,110,240	\$ 1,417,483	\$ (593,170)	\$ 7,900,014
Canada	302,956	215,380	—	(21,186)	497,150
Europe	302,986	—	—	—	302,986
Mexico	—	222,358	—	—	222,358
Singapore	—	3,293	—	—	3,293
Total revenue	<u>\$ 5,571,403</u>	<u>\$ 2,551,271</u>	<u>\$ 1,417,483</u>	<u>\$ (614,356)</u>	<u>\$ 8,925,801</u>

	Year ended December 31, 2018				
	FMS	SCS	DTS	Eliminations	Total
	(In thousands)				
United States	\$ 4,639,494	\$ 1,990,486	\$ 1,333,313	\$ (554,764)	\$ 7,408,529
Canada	302,106	185,655	—	(21,440)	466,321
Europe	317,093	—	—	—	317,093
Mexico	—	198,147	—	—	198,147
Singapore	—	23,856	—	—	23,856
Total revenue	<u>\$ 5,258,693</u>	<u>\$ 2,398,144</u>	<u>\$ 1,333,313</u>	<u>\$ (576,204)</u>	<u>\$ 8,413,946</u>

Industry

We have a diversified portfolio of customers across a full array of transportation and logistics solutions and across many industries. We believe this will help to mitigate the impact of adverse downturns in specific sectors of the economy. Our portfolio of ChoiceLease and commercial rental customers, as well as our DTS business, is not concentrated in any one particular industry or geographic region.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Our SCS business segment includes revenue from the following industries:

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Automotive	\$ 940,314	\$ 1,003,508	\$ 947,408
Technology and healthcare	386,610	432,107	480,026
Consumer packaged goods and retail	993,403	901,344	766,765
Industrial and other	224,093	214,312	203,945
Total revenue	<u>\$ 2,544,420</u>	<u>\$ 2,551,271</u>	<u>\$ 2,398,144</u>

Maintenance Revenues

We recognized non-lease revenue from maintenance services of \$965 million, \$950 million and \$909 million in 2020, 2019 and 2018, respectively, related to our FMS business segment, which was included in "Lease & related maintenance and rental revenues" in the Consolidated Statements of Earnings.

Deferred Revenue

The following table includes the changes in deferred revenue due to the collection and deferral of cash or the satisfaction of our performance obligation under the contract:

	2020	2019
		(In thousands)
Balance as of beginning of year	\$ 603,687	\$ 582,078
Recognized as revenue during period from beginning balance	(179,623)	(180,939)
Consideration deferred during period, net	203,308	203,136
Foreign currency translation adjustment and other	2,367	(588)
Balance as of end of year	<u>\$ 629,739</u>	<u>\$ 603,687</u>

Contracted Not Recognized Revenue

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized ("contracted not recognized revenue"). Contracted not recognized revenue primarily includes deferred revenue and amounts for full service ChoiceLease maintenance revenue that will be recognized as revenue in future periods as we provide maintenance services to our customers. Contracted not recognized revenue excludes (1) variable consideration as it is not included in the transaction price consideration allocated at contract inception, (2) revenues from our lease component of our ChoiceLease product and commercial rental product, (3) revenues from contracts with an original duration of one year or less, including SelectCare contracts, and (4) revenue from SCS, DTS and other contracts where there are remaining performance obligations when we have the right to invoice but the revenue to be recognized in the future corresponds directly with the value delivered to the customer. Contracted not recognized revenue was \$2.7 billion as of December 31, 2020.

Sales Commissions

We capitalize incremental sales commissions paid as a result of obtaining ChoiceLease, SCS and DTS contracts as contract costs. Capitalized sales commissions, including initial direct costs of our leases, was \$89 million and \$105 million as of December 31, 2020 and 2019, respectively. Sales commission expense in 2020, 2019 and 2018 was \$44 million, \$43 million and \$37 million, respectively.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

4. RECEIVABLES, NET

	December 31,	
	2020	2019
	(In thousands)	
Trade	\$ 1,051,618	\$ 1,060,298
Sales-type leases	132,003	135,353
Other, primarily warranty and insurance	41,753	55,600
	<u>1,225,374</u>	<u>1,251,251</u>
Allowance for credit losses and other	(43,024)	(22,761)
Total	<u>\$ 1,182,350</u>	<u>\$ 1,228,490</u>

The following table provides a reconciliation of our allowance for credit losses and other:

	(in thousands)
Balance as of December 31, 2019	\$ 22,761
Charges to provisions for credit losses	34,191
Impact of adoption of new accounting standard, write-offs, and other	(13,928)
Balance as of December 31, 2020	\$ 43,024

5. REVENUE EARNING EQUIPMENT, NET

	Estimated Useful Lives (In years)	December 31, 2020			December 31, 2019		
		Cost	Accumulated Depreciation	Net ⁽¹⁾	Cost	Accumulated Depreciation	Net ⁽¹⁾
		(In thousands)					
Held for use:							
Trucks	3 — 7	\$ 5,061,266	\$ (1,818,594)	\$ 3,242,672	\$ 5,432,236	\$ (1,696,160)	\$ 3,736,076
Tractors	4 — 7.5	7,013,595	(2,853,591)	4,160,004	7,859,371	(2,670,234)	5,189,137
Trailers and other	9.5 — 12	2,046,768	(804,006)	1,242,762	2,131,975	(808,798)	1,323,177
Held for sale		644,132	(512,555)	131,577	748,435	(569,161)	179,274
Total		<u>\$ 14,765,761</u>	<u>\$ (5,988,746)</u>	<u>\$ 8,777,015</u>	<u>\$ 16,172,017</u>	<u>\$ (5,744,353)</u>	<u>\$ 10,427,664</u>

(1) Revenue earning equipment, net included vehicles under finance leases of \$5 million, less accumulated depreciation of \$4 million, at December 31, 2020 and \$12 million, less accumulated depreciation of \$8 million, at December 31, 2019.

Total depreciation expense related to revenue earning equipment primarily used in our FMS segment was \$1.9 billion, \$1.8 billion and \$1.3 billion in 2020, 2019 and 2018, respectively.

Policy and Accelerated Depreciation

We periodically review and adjust, as appropriate, the estimated residual values and useful lives of existing revenue earning equipment for the purposes of recording depreciation expense. A reduction in estimated residual values or useful lives will result in an increase in depreciation expense over the remaining life of the vehicle. Our review of the estimated residual values and useful lives of revenue earning equipment is established with a long-term view, which we refer to as "policy depreciation," and is based on vehicle class, generally subcategories of trucks, tractors and trailers, by weight, usage and other factors. These other factors include, but are not limited to, historical, current, and expected future market prices; expected lives of vehicles; and expected sales of used vehicles in the wholesale and retail markets. Factors that could cause actual results to materially differ from estimates include, but are not limited to, changes in technology; changes in supply and demand; competitor pricing; regulatory requirements; driver shortages, requirements and preferences; and changes in underlying assumption factors. We have disciplines related to the management and maintenance of our vehicles designed to manage the risk associated with the residual values of our revenue earning equipment.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

We also assess estimates of residual values of vehicles expected to be made available for sale in the near-term (generally 12 to 24 months) based on near-term market rates and conditions and may adjust estimates of residual values for these vehicles, which we refer to as "accelerated depreciation."

The following table provides a summary of amounts that have been recorded for accelerated and policy depreciation related to our residual value estimate changes, as well as used vehicle sales results (rounded to the closest million):

	Years ended December 31,		
	2020	2019	2018
	(in thousands)		
Accelerated depreciation	\$ 236,000	\$ 223,000	\$ 39,000
Policy depreciation	255,000	134,000	40,000
Used vehicle sales, net	(414)	59,000	22,000

2019

In the second half of 2019, we began to experience softening in used vehicle market conditions, which was expected to continue throughout 2020. At that time, our inventory of used vehicles to be made available for sale was also higher than expected, which increased the volume of used vehicle sales expected to be sold through our wholesale channels. Due to these dynamics and our updated outlook at that time, we concluded, in the third quarter of 2019, that our residual value estimates likely exceeded the expected future values that would be realized upon the sale of power vehicles in our fleet. As a result, in the third quarter of 2019, we lowered the estimated residual values for our revenue earning equipment, primarily our power vehicles, to reflect more recent multi-year trends and our outlook for the expected used vehicle market.

The changes in our residual value estimates, in the third quarter of 2019, resulted in accelerated depreciation of \$193 million and additional policy depreciation of \$104 million. In 2019, the effect of this change in estimate decreased our net earnings and diluted earnings per share by \$219 million and \$4.19, respectively. The impact of the change in estimated vehicle residual values that occurred in the third quarter of 2019 was in addition to policy depreciation of \$30 million related to the estimate change effective January 1, 2019 and in addition to accelerated depreciation of \$30 million that was incurred in the first half of 2019.

2020

In the first half of 2020, we performed a review of the estimated residual values of our revenue earning equipment for both accelerated and policy depreciation primarily due to the COVID-19 pandemic and its impact on current and expected used vehicle market conditions. Prior to our review and the COVID-19 pandemic, we had expected used vehicle pricing to modestly improve in the second half of 2020. However, given the anticipated negative impact of the COVID pandemic on demand, we expected lower used vehicle pricing in the second half of 2020. As a result, in the second quarter of 2020, we further revised our residual value estimates to reflect an expected delayed recovery in the used vehicle market beyond mid-2021 and thus extended accelerated depreciation by an additional year to include vehicles expected to be sold through mid-2022.

In addition, in the second quarter of 2020, we also concluded that our residual value estimates likely exceeded the expected future values that would be realized upon the sale of vehicles in our fleet for vehicles expected to be sold after mid-2022 as a result of the expected negative impacts on pricing and volumes related to COVID-19 and our lowered longer term outlook. Therefore, we also lowered our estimated residual values primarily for our truck fleet, and to a lesser extent, our tractor fleet. In evaluating our residual value estimates, we reviewed recent multi-year trends; management and third-party longer-term outlook for the used vehicle market, including impacts of COVID-19 and the demand and pricing of our used vehicles; expected sales volumes through our retail and wholesale channels; inventory levels; and other factors that management deemed necessary to appropriately reflect our expected long-term sales proceeds.

The changes in our residual value estimates in the first half of 2020 resulted in additional accelerated depreciation of \$144 million and additional policy depreciation of \$53 million. This resulted in a decrease to our net earnings of \$146 million and diluted earnings per share of \$2.78 in 2020. In 2020, accelerated depreciation and policy depreciation also included \$92 million and \$202 million, respectively, related to the residual value changes that occurred in the second half of 2019.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Used Vehicle Sales and Valuation Adjustments

Revenue earning equipment held for sale is stated at the lower of carrying amount or fair value less costs to sell. Losses on vehicles held for sale for which carrying values exceeded fair value, which we refer to as "valuation adjustments," are recognized at the time they are deemed to meet the held for sale criteria and are presented within "Used vehicle sales, net" in the Consolidated Statements of Earnings. For revenue earning equipment held for sale, we stratify our fleet by vehicle type (trucks, tractors and trailers), weight class, age and other relevant characteristics and create classes of similar assets for analysis purposes. For revenue earning equipment held for sale, fair value was determined based upon recent market prices obtained from our own sales experience for each class of similar assets and vehicle condition if available or third-party market pricing. In addition, we also consider expected declines in market prices when valuing the vehicles held for sale, as well as forecasted sales channel mix (retail/wholesale).

The following table presents revenue earning equipment held for sale that are measured at fair value on a nonrecurring basis and considered a Level 3 fair value measurement:

	December 31,		Total Losses ⁽²⁾		
	2020	2019	Years ended December 31,		
	2020	2019	2020	2019	2018
	(In thousands)		(In thousands)		
Revenue earning equipment held for sale ⁽¹⁾ :					
Trucks	\$ 40,350	\$ 39,009	\$ 18,022	\$ 38,701	\$ 40,220
Tractors	64,446	73,359	12,139	40,213	9,030
Trailers and other	4,147	2,206	6,909	4,224	4,478
Total assets at fair value	\$ 108,943	\$ 114,574	\$ 37,070	\$ 83,138	\$ 53,728

(1) Revenue earning equipment held for sale in this table only includes the portion where net book values exceeded fair values and valuation adjustments were recorded. The net book value of assets held for sale that were less than fair value was \$23 million and \$65 million as of December 31, 2020 and 2019, respectively.

(2) Total losses represent valuation adjustments for all vehicles reclassified to held for sale throughout the period for which fair value was less than net book value.

The components of used vehicle sales, net were as follows:

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Losses (gains) on vehicle sales, net	\$ (37,484)	\$ (24,432)	\$ (31,403)
Losses from valuation adjustments	37,070	83,138	53,728
Used vehicle sales, net	\$ (414)	\$ 58,706	\$ 22,325

6. OPERATING PROPERTY AND EQUIPMENT, NET

	Estimated Useful Lives	December 31,	
		2020	2019
	(In years)	(In thousands)	
Land	—	\$ 243,368	\$ 245,034
Buildings and improvements	10 — 40	926,230	904,567
Machinery and equipment	3 — 10	864,941	866,654
Other	3 — 10	104,683	125,760
		2,139,222	2,142,015
Accumulated depreciation		(1,212,164)	(1,224,216)
Total		\$ 927,058	\$ 917,799

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Depreciation expense related to operating property and equipment was \$123 million, \$118 million and \$103 million in 2020, 2019 and 2018, respectively.

7. GOODWILL

The carrying amount of goodwill attributable to each reportable business segment with changes therein was as follows:

	FMS	SCS	DTS	Total
	(In thousands)			
Balance at January 1, 2019	\$ 243,606	\$ 190,792	\$ 40,808	\$ 475,206
Foreign currency translation adjustment	96	(277)	—	(181)
Balance at December 31, 2019	243,702	190,515	40,808	475,025
Foreign currency translation adjustment	103	117	—	220
Balance at December 31, 2020 ⁽¹⁾	\$ 243,805	\$ 190,632	\$ 40,808	\$ 475,245

(1) Accumulated impairment losses were \$26 million and \$19 million for FMS and SCS, respectively, as of both December 31, 2020 and 2019

We assess goodwill for impairment on October 1st of each year or more often if deemed necessary. In the first quarter of 2020, we performed an interim impairment test of our FMS North America reporting unit (FMS NA) as a result of the decline in market conditions and our updated outlook as a result of the impact of COVID-19. Our valuation of fair value for FMS NA was determined based on a discounted future cash flow model (income approach) and the application of current market multiples for comparable publicly-traded companies (market approach). Based on our analysis, we determined that FMS NA goodwill was not impaired as of March 31, 2020. The estimated fair value of the FMS NA reporting unit exceeded its carrying value by approximately 5% as of March 31, 2020. On October 1, 2020, we completed our annual goodwill impairment test for all of our reporting units. For all reporting units, including FMS NA, we conducted a qualitative analysis based on market conditions, business performance and our stock price. Based on this analysis, we determined that the fair values of our reporting units more likely than not exceeded their respective carrying values.

In the event the financial performance of FMS NA does not meet our expectations in the future; we experience future prolonged market downturns, including in the used vehicle market or a sustained decline in our stock price; worsening trends from the COVID-19 pandemic; or there are other negative revisions to key assumptions, we may be required to perform additional impairment analyses and could be required to recognize a non-cash goodwill impairment charge. As of December 31, 2020, there was \$244 million of goodwill recorded related to FMS NA.

During the first quarter of 2018, we recorded an impairment charge of \$16 million for all goodwill in the FMS Europe reporting unit. This item was reflected within "Restructuring and other items, net" in our Consolidated Statements of Earnings.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

8. INTANGIBLE ASSETS, NET

	December 31, 2020				
	FMS	SCS	DTS	CSS	Total
	(In thousands)				
Indefinite lived intangible assets — Trade name	\$ —	\$ —	\$ —	\$ 8,731	\$ 8,731
Finite lived intangible assets, primarily customer relationships	57,686	50,249	7,582	—	115,517
Accumulated amortization	(51,545)	(24,748)	(4,739)	—	(81,032)
Total	\$ 6,141	\$ 25,501	\$ 2,843	\$ 8,731	\$ 43,216

	December 31, 2019				
	FMS	SCS	DTS	CSS	Total
	(In thousands)				
Indefinite lived intangible assets — Trade name	\$ —	\$ —	\$ —	\$ 8,731	\$ 8,731
Finite lived intangible assets, primarily customer relationships	57,686	50,249	7,582	—	115,517
Accumulated amortization	(49,031)	(20,047)	(4,265)	—	(73,343)
Total	\$ 8,655	\$ 30,202	\$ 3,317	\$ 8,731	\$ 50,905

The Ryder trade name has been identified as having an indefinite useful life. Customer relationship intangibles are being amortized on a straight-line basis over their estimated useful lives, generally 7-19 years. We recognized amortization expense associated with finite lived intangible assets of \$8 million in 2020, 2019 and 2018. The future amortization expense for each of the five succeeding years related to all intangible assets that are currently reported in the Consolidated Balance Sheets is estimated to range from \$6 - \$7 million per year for 2021 - 2025.

9. ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2020			December 31, 2019		
	Accrued Expenses	Non-Current Liabilities	Total	Accrued Expenses	Non-Current Liabilities	Total
	(In thousands)					
Salaries and wages	\$ 158,122	\$ —	\$ 158,122	\$ 126,119	\$ —	\$ 126,119
Deferred compensation	5,117	77,823	82,940	6,436	65,006	71,442
Pension benefits	3,776	265,178	268,954	3,863	413,829	417,692
Other postretirement benefits	1,381	20,245	21,626	1,478	20,187	21,665
Other employee benefits	20,599	—	20,599	21,577	—	21,577
Insurance obligations ⁽¹⁾	169,936	292,298	462,234	163,763	285,838	449,601
Operating taxes ⁽²⁾	164,293	41,687	205,980	116,003	—	116,003
Income taxes	4,588	15,598	20,186	2,873	17,484	20,357
Interest	38,887	—	38,887	46,032	—	46,032
Deposits, mainly from customers	79,840	3,014	82,854	82,573	3,065	85,638
Operating lease liabilities	78,785	186,429	265,214	72,285	151,361	223,646
Deferred revenue ⁽³⁾	183,474	446,265	629,739	165,205	438,482	603,687
Restructuring liabilities ⁽⁴⁾	7,683	—	7,683	6,765	—	6,765
Other	72,697	55,324	128,021	61,105	46,751	107,856
Total	\$ 989,178	\$ 1,403,861	\$ 2,393,039	\$ 876,077	\$ 1,442,003	\$ 2,318,080

⁽¹⁾ Insurance obligations are primarily comprised of self-insured claim liabilities.

⁽²⁾ Includes the deferral of certain payroll taxes allowed under the CARES Act.

⁽³⁾ Refer to Note 3, "Revenue", for further information.

⁽⁴⁾ Refer to Note 20, "Other Items Impacting Comparability", for further information on restructuring activities during 2020. The majority of the balance remaining in restructuring liabilities is expected to be paid by mid-2021.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

During 2020 and 2019, we recognized charges within earnings from continuing operations of \$18 million in both years from the unfavorable development of estimated prior years claims where costs exceeded self-insured loss reserves. Charges in 2018 from the unfavorable development of estimated prior years claims where costs exceeded self-insured loss reserves were not material.

10. INCOME TAXES

The components of earnings (loss) from continuing operations before income taxes and the provision for (benefit from) income taxes from continuing operations were as follows:

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Earnings (loss) from continuing operations before income taxes:			
United States	\$ (126,537)	\$ (44,668)	\$ 371,925
Foreign	(3,823)	2,397	17,544
Total	<u>\$ (130,360)</u>	<u>\$ (42,271)</u>	<u>\$ 389,469</u>
Provision for (benefit from) income taxes from continuing operations:			
Current tax expense (benefit) from continuing operations:			
Federal ⁽¹⁾	\$ (642)	\$ (1,065)	\$ (23,333)
State	9,523	9,187	6,862
Foreign	5,620	5,210	10,123
	<u>14,501</u>	<u>13,332</u>	<u>(6,348)</u>
Deferred tax expense (benefit) from continuing operations:			
Federal	(27,534)	(8,228)	113,764
State	(10,263)	(18,790)	1,250
Foreign	4,932	(5,313)	(6,119)
	<u>(32,865)</u>	<u>(32,331)</u>	<u>108,895</u>
Total	<u>\$ (18,364)</u>	<u>\$ (18,999)</u>	<u>\$ 102,547</u>

(1) The current federal tax benefit in 2018 included \$22 million of alternative minimum tax refunds generated by the 2017 Tax Cuts and Jobs Act.

A reconciliation of the federal statutory tax rate with the effective tax rate from continuing operations follows:

	Years ended December 31,		
	2020	2019	2018
	(Percentage of pre-tax earnings)		
Federal statutory tax rate	21.0 %	21.0 %	21.0 %
Impact of one-time deemed repatriation	— %	— %	6.2 %
Impact on deferred taxes for changes in tax rates	0.9 %	20.5 %	(3.3)%
Additional deferred tax adjustments	0.8 %	— %	(1.5)%
State income taxes, net of federal income tax benefit	(3.4)%	(19.2)%	3.7 %
Foreign rates varying from federal statutory tax rate	1.3 %	3.1 %	0.1 %
Tax contingencies	5.5 %	15.7 %	(0.9)%
Tax credits	1.7 %	11.3 %	0.2 %
Other permanent book-tax differences	(3.3)%	(8.6)%	0.8 %
Change in foreign valuation allowance	(11.9)%	— %	— %
Other	1.5 %	1.1 %	— %
Effective tax rate	<u>14.1 %</u>	<u>44.9 %</u>	<u>26.3 %</u>

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Tax Reform Impact

On December 22, 2017, the 2017 Tax Cuts and Jobs Act of 2017 (2017 Tax Reform) was signed into law. The 2017 Tax Reform made broad and complex changes to the U.S. tax code which have had a significant impact on our earnings. During 2018, we completed our analyses on the impact of the 2017 Tax Reform and recorded an additional \$10 million benefit for the re-measurement of our net deferred tax liability and an additional \$24 million expense for the transition tax.

Deferred Income Taxes

The components of the net deferred income tax liability were as follows:

	December 31,	
	2020	2019
	(In thousands)	
Deferred income tax assets:		
Self-insurance accruals	\$ 104,346	\$ 94,690
Net operating loss carryforwards	381,585	619,314
Accrued compensation and benefits	46,321	31,402
Pension benefits	75,466	78,004
Deferred revenue	170,958	146,383
Other, including federal benefit on state tax positions	35,104	30,750
	813,780	1,000,543
Valuation allowance	(41,153)	(17,577)
	772,627	982,966
Deferred income tax liabilities:		
Property and equipment basis differences	(1,888,112)	(2,121,842)
Other	(5,379)	(5,386)
	(1,893,491)	(2,127,228)
Net deferred income tax liability ⁽¹⁾	\$ (1,120,864)	\$ (1,144,262)

(1) Deferred tax assets of \$5 million and \$17 million have been included in "Sales-type leases and other assets" as of December 31, 2020 and 2019, respectively.

As of December 31, 2020, we have undistributed earnings of foreign subsidiaries of \$813 million. We plan to continue to reinvest foreign earnings overseas indefinitely. With respect to the undistributed earnings as of December 31, 2020, \$635 million was included in the transition tax. The determination of the amount of any additional unrecognized deferred tax liability is not practicable because of the complexities associated with the hypothetical calculations used in evaluating whether we will maintain the indefinite reinvestment assertion.

As of December 31, 2020, we had U.S. federal tax effected net operating loss carryforwards, before unrecognized tax benefits, of \$311 million, of which \$8 million is expected to expire beginning 2034 and the remaining portion has an indefinite carryforward period. Various U.S. subsidiaries had state tax effected net operating loss carryforwards, before unrecognized tax benefits and valuation allowances, of \$72 million that will begin to expire as follows: \$4 million in 2021, \$0.4 million in 2022, and \$63 million in 2023 and thereafter. The remaining portion has an indefinite carryforward period. To the extent that we do not generate sufficient state taxable income through viable planning strategies within the statutory carryforward periods to utilize the loss carryforwards in these states, the loss carryforwards will expire unused. We also had foreign tax effected net operating loss carryforwards of \$30 million that are available to reduce future income tax payments in several countries, subject to varying expiration rules. We assess the realizability of our deferred tax assets and record a valuation allowance to the extent it is determined that they are not more-likely-than-not to be realized. Due to our assessment of future sources of taxable income in various states and foreign jurisdictions, we have a cumulative valuation allowance of \$41 million against our deferred tax assets as of December 31, 2020. This includes a \$24 million valuation allowance against our U.K. deferred tax assets recorded in 2020, of which \$13 million was a discrete item recorded in the first quarter of 2020. The valuation allowance is subject to change in future years based on the availability of future sources of taxable income.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Uncertain Tax Positions

In many cases, our uncertain tax positions are related to tax years that remain subject to examination by the relevant taxing authorities. The following table summarizes these open tax years by jurisdiction:

Jurisdiction	Open Tax Year
United States (Federal)	2011, 2013 - 2015, 2017 - 2020
Canada	2013 - 2020
Mexico	2015 - 2020
United Kingdom	2019 - 2020
Brazil (in discontinued operations)	2015 - 2020

The following table summarizes the activity related to unrecognized tax benefits (excluding the federal benefit received from state positions):

	December 31,		
	2020	2019	2018
	(In thousands)		
Balance at January 1	\$ 48,918	\$ 58,819	\$ 62,288
Additions based on tax positions related to the current year	2,225	1,422	3,885
Reductions due to lapse of applicable statutes of limitation	(8,356)	(11,323)	(7,354)
Gross balance at December 31	42,787	48,918	58,819
Interest and penalties	4,491	4,772	4,594
Balance at December 31	\$ 47,278	\$ 53,690	\$ 63,413

Of the total unrecognized tax benefits as of December 31, 2020, \$39 million (net of the federal benefit on state issues) represents the amount of unrecognized tax benefits that, if recognized, would favorably affect the effective tax rate in future periods. Unrecognized tax benefits related to federal, state and foreign tax positions may decrease by \$6 million by December 31, 2021, if audits are completed or tax years close during 2021.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

11. LEASES

Leases as Lessor

The components of revenue from leases were as follows:

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Operating leases			
Lease income related to ChoiceLease	\$ 1,565,579	\$ 1,505,913	\$ 1,369,025
Lease income related to commercial rental ⁽¹⁾	791,631	952,560	905,305
Sales-type leases			
Interest income related to net investment in leases	\$ 49,244	\$ 46,801	\$ 38,385
Variable lease income excluding commercial rental ⁽¹⁾	\$ 289,165	\$ 272,065	\$ 244,911

⁽¹⁾ Lease income related to commercial rental includes both fixed and variable lease income. Variable lease income is approximately 15% to 25% of total commercial rental income.

The components of the net investment in sales-type leases were as follows:

	December 31,	
	2020	2019
	(In thousands)	
Net investment in the lease - lease payment receivable	\$ 589,120	\$ 553,076
Net investment in the lease - unguaranteed residual value in assets	44,704	44,952
	633,824	598,028
Estimated loss allowance ⁽¹⁾	(4,025)	(673)
Total ⁽²⁾	\$ 629,799	\$ 597,355

⁽¹⁾ Amount as of December 31, 2020 reflects an immaterial cumulative-effect adjustment in connection with the adoption of the new credit loss standard (refer to Note 1, "Summary of Significant Accounting Policies," for further information).

⁽²⁾ Net investment in the sales-type lease are included in "Receivables, net" and "Sales-type leases and other assets" in the Consolidated Balance Sheets.

Maturities of sales-type lease receivables as of December 31, 2020 were as follows:

Years ending December 31	(In thousands)
2021	\$ 174,421
2022	163,471
2023	124,641
2024	97,345
2025	70,662
Thereafter	91,713
Total undiscounted cash flows	722,253
Present value of lease payments (recognized as lease receivables)	(589,120)
Difference between undiscounted cash flows and discounted cash flows	\$ 133,133

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Payments due for operating leases as of December 31, 2020 were as follows:

Years ending December 31	(In thousands)
2021	\$ 1,290,388
2022	968,254
2023	685,145
2024	474,389
2025	288,811
Thereafter	185,823
Total undiscounted cash flows	<u><u>\$ 3,892,810</u></u>

Leases as Lessee

The components of lease expense were as follows:

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Finance lease cost			
Amortization of right-of-use-assets	\$ 13,295	\$ 13,671	\$ 13,805
Interest on lease liabilities	2,344	2,565	2,546
Operating lease cost	92,227	94,039	87,741
Short-term lease and other	8,432	10,963	10,017
Variable lease cost	13,325	12,459	9,888
Sublease income	(27,223)	(22,385)	(23,261)
Total lease cost	<u><u>\$ 102,400</u></u>	<u><u>\$ 111,312</u></u>	<u><u>\$ 100,736</u></u>

Supplemental balance sheet information relates to leases was as follows:

	December 31,			
	2020		2019	
	Operating Lease	Finance Lease	Operating Lease	Finance Lease
	(In thousands)			
Noncurrent assets ⁽¹⁾	\$ 255,964	\$ 39,571	\$ 214,809	\$ 44,190
Current liabilities ⁽²⁾	78,785	13,282	72,285	12,381
Noncurrent liabilities ⁽³⁾	186,429	35,136	151,361	39,336

(1) Operating lease right-of-use assets are included in "Sales-type leases and other assets" and finance lease assets are included in "Other property and equipment, net" and "Revenue earning equipment, net".

(2) Current operating lease liabilities are included in "Accrued expenses and other current liabilities" and current finance leases liabilities are included in "Short-term debt and current portion of long-term debt".

(3) Noncurrent operating lease liabilities are included in "Other non-current liabilities" and noncurrent finance lease liabilities are included in "Long-term debt".

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	December 31,	
	2020	2019
Weighted-average remaining lease term		
Operating	4 years	4 years
Finance	6 years	7 years
Weighted-average discount rate		
Operating	3.3 %	4.0 %
Finance	5.6 %	6.6 %

Maturities of operating and finance lease liabilities were as follows:

	Operating Leases	Finance Leases	Total
Years ending December 31	(In thousands)		
2021	\$ 85,612	\$ 15,179	\$ 100,791
2022	70,707	12,111	82,818
2023	56,981	9,291	66,272
2024	33,151	6,612	39,763
2025	20,281	3,345	23,626
Thereafter	15,738	9,112	24,850
Total lease payments	282,470	55,650	338,120
Less: Imputed Interest	(17,256)	(7,232)	(24,488)
Present value of lease liabilities	\$ 265,214	\$ 48,418	\$ 313,632

As of December 31, 2020, we have not entered into any additional facility operating leases that commence in 2021 and thereafter which have not been reflected on the Consolidated Balance Sheets.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

12. DEBT

	<u>Weighted Average Interest Rate</u>			December 31, 2020	December 31, 2019
	December 31, 2020	December 31, 2019	Maturities		
(In thousands)					
Debt:					
U.S. commercial paper	0.29%	1.99%	2023	\$ 214,375	\$ 511,486
Canadian commercial paper	0.62%	2.04%	2023	62,800	136,199
Trade receivables program	—%	—%	2021	—	—
Global revolving credit facility	1.25%	2.10%	2023	200	8,104
Unsecured U.S. obligations	3.47%	2.79%	2024	200,000	200,000
Unsecured U.S. notes — Medium-term notes ⁽¹⁾	3.41%	3.17%	2021-2026	5,174,180	5,970,462
Unsecured foreign obligations	1.82%	2.18%	2021-2024	254,259	270,719
Asset-backed U.S. obligations ⁽²⁾	2.53%	2.50%	2021-2026	682,383	807,374
Finance lease obligations and other			2021-2073	48,418	51,717
				<u>6,636,615</u>	<u>7,956,061</u>
Debt issuance costs and original issue discounts				(26,379)	(31,273)
Total debt				<u>6,610,236</u>	<u>7,924,788</u>
Short-term debt and current portion of long-term debt				<u>(516,581)</u>	<u>(1,154,564)</u>
Long-term debt				<u>\$ 6,093,655</u>	<u>\$ 6,770,224</u>

(1) Includes the impact from the fair market values of hedging instruments on our notes, which were not material as of both December 31, 2020 and December 31, 2019. The notional amount of the executed interest rate swaps designated as fair value hedges was \$150 million and \$525 million as of December 31, 2020 and December 31, 2019, respectively.

(2) Asset-backed U.S. obligations are related to financing transactions backed by a portion of our revenue earning equipment.

The fair value of total debt (excluding finance lease and asset-backed U.S. obligations) was approximately \$6.3 billion and \$7.0 billion as of December 31, 2020 and 2019, respectively. For publicly-traded debt, estimates of fair value were based on market prices. For other debt, fair value was estimated based on a model-driven approach using rates currently available to us for debt with similar terms and remaining maturities. The fair value measurements of our publicly-traded debt and our other debt were classified within Level 2 of the fair value hierarchy.

Debt Proceeds and Repayments

The following table includes our debt proceeds and repayments in 2020:

<u>Debt Proceeds</u>		<u>Debt Repayments</u>	
(In thousands)			
Medium-term notes	\$ 799,648	Medium-term notes	\$ 1,600,000
Global revolving credit facility	327,846	Global revolving credit facility	333,912
Trade receivables program	300,000	Trade receivables program	300,000
U.S. and foreign term loans and other	656,849	U.S. and foreign term loan, finance lease obligations, and other repayments	821,468
Total debt proceeds	<u>\$ 2,084,343</u>	Total debt repaid	<u>\$ 3,055,380</u>

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Debt repayments included \$600 million of medium-term notes that were redeemed early in the fourth quarter that were previously set to mature in 2021. We recorded \$9 million of expenses related to the early redemption of these notes in "Interest Expense" on the Statements of Earnings. Debt proceeds were used to repay maturing debt and for general corporate purposes. If the unsecured medium-term notes are downgraded below investment grade following, or as a result of, a change in control, the note holders can require us to repurchase all or a portion of the notes at a purchase price equal to 101% of principal value plus accrued and unpaid interest.

Contractual maturities of total debt, excluding finance lease obligations, are as follows:

Years ending December 31	(In thousands)
2021	\$ 503,480
2022	1,346,560
2023	1,678,976
2024	1,511,757
2025	1,085,897
Thereafter	461,527
Total	6,588,197
Finance lease obligations (Refer to Note 11)	48,418
Total long-term debt	6,636,615

Global Revolving Credit Facility

We maintain a \$1.4 billion global revolving credit facility, which includes U.S. and Canadian commercial paper programs, with a syndicate of eleven lending institutions and matures in September 2023. The agreement provides for annual facility fees which range from 7.5 to 20 based on our long-term credit ratings. The annual facility fee is 15 basis points as of December 31, 2020. The credit facility is primarily used to finance working capital and vehicle purchases, but can also be used to issue up to \$75 million in letters of credit (there were no letters of credit outstanding against the facility as of December 31, 2020). At our option, the interest rate on borrowings under the credit facility is based on LIBOR, prime, federal funds or local equivalent rates. The credit facility contains no provisions limiting its availability in the event of a material adverse change to our business operations; however, the credit facility does contain standard representations and warranties, events of default, cross-default provisions, and certain affirmative and negative covenants. In the fourth quarter of 2020, we amended our revolving credit facility to address various administrative matters. As of December 31, 2020, there was \$1.1 billion available under the credit facility.

In order to maintain availability of funding, we must maintain a ratio of debt to Consolidated Net Worth of less than or equal to 300%. Consolidated Net Worth, as defined in the credit facility, represents shareholders' equity excluding any accumulated other comprehensive income or loss associated with our pension and other postretirement plans. In 2020, Consolidated Net Worth was amended to also (1) exclude currency translation adjustment as reported in our consolidated balance sheet; (2) add back the after-tax charge to shareholders' equity which resulted from our adoption of the new lease accounting standard as of December 31, 2018 (amortized quarterly to 50% of the charge over a 7 year period); and (3) add back any potential non-cash FMS North America goodwill impairment charges, should they occur, up to a maximum amount. As of December 31, 2020, the ratio was 195%.

Our global revolving credit facility enables us to refinance short-term obligations on a long-term basis. Short-term commercial paper obligations are classified as long-term as we have both the intent and ability to refinance on a long-term basis. Starting in 2020, we have reflected all contractual maturities due within the next twelve months in the current portion of long-term debt even though we may refinance these obligations on a long-term basis and have the ability to do so under our revolving credit facility. As of December 31, 2019, we classified \$227 million of short-term commercial paper, \$400 million of the current portion of long-term debt and \$201 million of short-term debt as long-term debt as we had the intent and ability to refinance the current portion of these long-term debt on a long-term basis.

Trade Receivables Program

We have a trade receivables purchase and sale program, pursuant to which we sell certain of our domestic trade accounts receivable to a bankruptcy remote, consolidated subsidiary of Ryder, that in turn sells, on a revolving basis, an ownership

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

interest in certain of these accounts receivable to a committed purchaser. The subsidiary is considered a VIE and is consolidated based on our control of the entity's activities. We use this program to provide additional liquidity to fund our operations, particularly when it is cost effective to do so. The costs under the program may vary based on changes in interest rates. In February 2020, we increased the amount of maximum available proceeds from \$225 million to \$300 million. In April 2020, we extended the maturity of the trade receivables program to April 2021. As of December 31, 2020, the available proceeds under the program were \$300 million. The program contains provisions restricting its availability in the event of a material adverse change to our business operations or the collectibility of the collateralized receivables. Sales of receivables under this program are accounted for as secured borrowings based on our continuing involvement in the transferred assets.

13. GUARANTEES

We have executed various agreements with third parties that contain standard indemnifications that may require us to indemnify a third party against losses arising from a variety of matters, such as lease obligations, financing agreements, environmental matters, and agreements to sell business assets, if they bring a claim against us. Normally, we are allowed to dispute the other party's claim and our obligations under these agreements may be limited in terms of the amount and/or timing of any claim. Additionally, we have entered into individual indemnification agreements with each of our independent directors, through which we will indemnify such director acting in good faith against any and all losses, expenses and liabilities arising out of such director's service as a director of Ryder. The maximum amount of potential future payments under these agreements is generally unlimited.

We cannot predict the maximum potential amount of future payments under certain of these agreements, including the indemnification agreements, due to the contingent nature of the potential obligations and the distinctive provisions that are involved in each individual agreement. Historically, such payments have not had a material adverse effect on our business. We believe that if a loss were incurred in any of these matters, the loss would not have a material adverse impact on our consolidated results of operations or financial position.

As of December 31, 2020 and 2019, we had letters of credit and surety bonds outstanding, which primarily guarantee various insurance activities as noted in the following table:

	December 31,	
	2020	2019
	(In thousands)	
Letters of credit	\$ 371,840	\$ 337,476
Surety bonds	147,091	115,848

14. SHARE REPURCHASE PROGRAMS

In December 2019, our Board of Directors authorized a share repurchase program intended to mitigate the dilutive impact of shares issued under our employee stock plans (the 2019 program). Under the 2019 program, we are authorized to repurchase up to 1.5 million shares of common stock, the sum of which will not exceed the number of shares issued to employees under our employee stock plans from December 1, 2019 to December 11, 2021. Share repurchases of common stock are made periodically in open-market transactions and are subject to market conditions, legal requirements, and other factors. We may establish prearranged written plans under Rule 10b5-1 of the Securities Exchange Act of 1934 as part of the 2019 program, which allow for share repurchases during our quarterly blackout periods as set forth in the trading plan. In the second quarter of 2020, we decided to temporarily suspend the 2019 share repurchase program due to the impact of COVID-19; however, we recommenced the program in the fourth quarter of 2020. In 2020, we repurchased 0.6 million shares for \$29 million under the 2019 program. During 2019 and 2018, we repurchased 0.5 million and 0.4 million shares for \$28 million and \$31 million, respectively, under previous share repurchase programs.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

15. ACCUMULATED OTHER COMPREHENSIVE LOSS

Comprehensive income presents a measure of all changes in shareholders' equity except for changes resulting from transactions with shareholders in their capacity as shareholders. The following summary sets forth the components of accumulated other comprehensive loss, net of tax:

	December 31,	
	2020	2019
	(In thousands)	
Cumulative translation adjustments	\$ (146,529)	\$ (162,243)
Net actuarial loss and prior service cost	(655,040)	(667,459)
Unrealized gain (loss) from cash flow hedges	(15,636)	(6,789)
Accumulated other comprehensive loss	<u>\$ (817,205)</u>	<u>\$ (836,491)</u>

The gain from currency translation adjustments in 2020 was primarily due to the strengthening of the British Pound and Canadian Dollar against the U.S. Dollar. Refer to Note 18, "Employee Benefit Plans," for further information related to net actuarial loss and prior services cost.

16. EARNINGS PER SHARE

The following table presents the calculation of basic and diluted earnings per common share from continuing operations:

	Years ended December 31,		
	2020	2019	2018
	(In thousands, except per share amounts)		
Earnings (loss) from continuing operations	\$ (111,996)	\$ (23,272)	\$ 286,922
Less: Distributed and undistributed earnings allocated to unvested stock	(517)	(453)	(1,038)
Earnings (loss) from continuing operations available to common shareholders	<u>\$ (112,513)</u>	<u>\$ (23,725)</u>	<u>\$ 285,884</u>
Weighted average common shares outstanding — Basic	52,362	52,348	52,390
Effect of dilutive equity awards	—	—	307
Weighted average common shares outstanding — Diluted	<u>52,362</u>	<u>52,348</u>	<u>52,697</u>
Earnings (loss) from continuing operations per common share — Basic	<u>\$ (2.15)</u>	<u>\$ (0.45)</u>	<u>\$ 5.46</u>
Earnings (loss) from continuing operations per common share — Diluted	<u>\$ (2.15)</u>	<u>\$ (0.45)</u>	<u>\$ 5.43</u>
Anti-dilutive equity awards not included in diluted EPS	<u>3,504</u>	<u>2,458</u>	<u>1,330</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

17. SHARE-BASED COMPENSATION PLANS

The following table provides information on share-based compensation expense and related income tax benefits recognized:

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Unvested stock awards	\$ 25,509	\$ 19,253	\$ 17,249
Stock option and employee stock purchase plans	4,484	6,575	7,703
Share-based compensation expense	29,993	25,828	24,952
Income tax benefit	(4,728)	(4,667)	(4,615)
Share-based compensation expense, net of tax	<u>\$ 25,265</u>	<u>\$ 21,161</u>	<u>\$ 20,337</u>

Total unrecognized pre-tax compensation expense related to share-based compensation arrangements as of December 31, 2020 was \$43 million and is expected to be recognized over a weighted-average period of approximately 2.1 years. The total fair value of equity awards vested during 2020, 2019 and 2018 was \$27 million, \$20 million and \$18 million, respectively. The total cash received from employees under all share-based employee compensation arrangements for 2020, 2019 and 2018 was \$8 million, \$8 million and \$17 million, respectively.

Share-Based Incentive Awards

Share-based incentive awards are provided to employees under the terms of various share-based compensation plans (collectively, the Plans). The Plans are administered by the Compensation Committee of the Board of Directors. Awards under the Plans principally include at-the-money stock options and unvested stock. Unvested stock awards include grants primarily of performance-based and time-vested restricted stock rights. Under the terms of our Plans, dividends on unvested stock are not paid unless the award vests. Upon vesting, the amount of the dividends paid is equal to the aggregate dividends declared on common shares during the period from the date of grant of the award until the date the shares underlying the award are delivered. As of December 31, 2020, there are 4.3 million shares authorized for issuance under the Plans and 3.6 million shares remaining available for future issuance.

We also grant stock awards to non-executive members of the Board of Directors. Stock awards to new Board members do not vest until the director has served a minimum of one year. Prior to 2018, stock awards to Board members were delivered upon separation from the Board. Beginning in 2018, each director may elect to receive his or her stock award in the form of either (1) shares that are distributed at the time of grant or (2) restricted stock units (RSUs) which will entitle the director to receive one share of Ryder stock for each RSU granted and are distributed upon or after separation from the Board. The fair value of the awards is determined and fixed based on Ryder's stock price on the date of grant. Share-based compensation expense is recognized for RSUs in the year the RSUs are granted. Ryder shares delivered upon grant have standard voting rights and rights to dividend payments. RSUs that are distributed upon or after separation from service on the Board are eligible for non-forfeitable dividend equivalents until distribution but such RSUs have no voting rights until they are distributed.

Restricted Stock Awards

Restricted stock awards are unvested stock rights that are granted to employees and entitle the holder to shares of common stock as the award vests. Time-vested restricted stock rights typically vest ratably over three years regardless of company performance. The fair value of the time-vested awards is determined and fixed based on Ryder's stock price on the date of grant.

Performance-based restricted stock rights (PBRs) are generally granted to executive management and include a performance-based vesting condition. PBRs are awarded based on various revenue, return-based and cash flow performance targets and may include a total shareholder return (TSR) modifier for certain members of management. The fair values of the PBRs that include a TSR modifier are estimated using a lattice-based option-pricing valuation model that incorporates a Monte-Carlo simulation. The fair value of PBRs that do not include a TSR modifier is determined and fixed on the grant date based on our stock price on the date of grant. Share-based compensation expense for PBRs is recognized on a straight-line basis over the vesting period, based upon the probability that the performance target will be met.

In 2018 and 2019, PBRs were awarded based on the spread between return on capital (ROC) and the cost of capital (COC) (ROC/COC) and strategic revenue growth (SRG). In 2020, PBRs were awarded based on return of equity (ROE),

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

SRG and earnings before interest, taxes, depreciation and amortization (EBITDA) margin percent. These awards vest after the three-year performance period. For these awards, up to 200% of the awards based on ROC/COC, SRG and ROE, and up to 300% of the awards based on EBITDA margin percent may be earned based on three-year targets. Our TSR will be compared against the TSR of each of the companies in a custom peer group to determine our TSR percentile rank versus this custom peer group. The number of PBRs will then be adjusted based on this rank. As of 2017, we no longer grant market-based awards.

The following is a summary of activity for time-vested and performance-based unvested restricted stock awards as of and for the year ended December 31, 2020:

	Time-Vested		Performance-Based	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
	(In thousands)		(In thousands)	
Unvested stock outstanding at January 1	730	\$ 63.21	374	\$ 67.14
Granted	752	39.39	288	36.35
Vested ⁽¹⁾	(243)	64.43	(60)	80.43
Forfeited ⁽²⁾	(44)	47.78	(74)	56.70
Unvested stock outstanding at December 31	<u>1,195</u>	<u>\$ 48.53</u>	<u>528</u>	<u>\$ 32.03</u>

(1) Includes awards attained above target.

(2) Includes awards canceled due to employee terminations or performance conditions not being achieved.

Option Awards

Stock options are awards that allow employees to purchase shares of our stock at a fixed price in the future. Stock option awards are granted at an exercise price equal to the market price of our stock at the time of grant. These awards, which generally vest one-third each year, are fully vested three years from the grant date. Stock options have contractual terms of ten years.

During 2020, we did not grant any stock option awards. As of December 31, 2020, we had options outstanding of 1.9 million with a weighted-average exercise price of \$71.09 and a weighted average-remaining contractual term of 5.3 years. The number of options exercisable as of December 31, 2020 was 1.7 million. As of December 31, 2019, we had options outstanding of 2.0 million and a weighted-average exercise price of \$70.92.

The aggregate intrinsic values (the difference between the close price of our stock on the last trading day of the year and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders if all options were exercised at year-end was not material as of December 31, 2020. This amount fluctuates based on the fair market value of our stock.

The fair value of each option award is estimated on the date of grant using a Black-Scholes-Merton option-pricing valuation model. We use historical data to estimate stock option forfeitures. The following table presents the weighted-average assumptions used for the valuation, which are primarily based on our historical data and trends, and the grant-date fair value of options granted:

	Years ended December 31,	
	2019	2018
Expected dividends	3.7%	2.8%
Expected volatility	31.4%	29.4%
Risk-free rate	2.4%	2.7%
Expected term in years	4.4 years	4.4 years
Grant-date fair value	\$ 11.74	\$ 15.89

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Employee Stock Purchase Plan

We maintain an Employee Stock Purchase Plan (ESPP) that enables eligible participants in the U.S. and Canada to purchase full or fractional shares of Ryder common stock through payroll deductions of up to 15% of eligible compensation during quarterly offering periods. The price is based on the fair market value of the stock on the last trading day of the quarter. Stock purchased under the ESPP must be held for 90 days or one year for officers. There were 7.5 million shares authorized for issuance under the existing ESPP as of December 31, 2020. There were 2.0 million shares remaining available to be purchased in the future under the ESPP as of December 31, 2020.

The following table presents the shares purchased and the related weighted-average purchase price under the ESPP:

	Years ended December 31,		
	2020	2019	2018
Shares purchased	320,000	228,000	199,000
Weighted average purchase price	\$ 32.39	\$ 47.97	\$ 54.89

18. EMPLOYEE BENEFIT PLANS

Pension Plans

We historically sponsored several defined benefit pension plans covering most employees not covered by union-administered plans, including certain employees in foreign countries. These plans generally provided participants with benefits based on years of service and career-average compensation levels.

In past years, we made amendments to defined benefit retirement plans that froze the retirement benefits for non-grandfathered and certain non-union employees in the U.S., Canada and the U.K. In 2020, our Board of Directors approved further amendments to freeze our U.S. and Canadian pension plans for substantially all of the remaining active employees in these plans effective December 31, 2020. As a result, these employees will cease accruing further benefits under the pension plans after December 31, 2020 and will begin participating in an enhanced defined contribution plan. All retirement benefits earned by these participants as of December 31, 2020 will be fully preserved and will be paid in accordance with the plan and legal requirements. We recognized curtailment losses of \$9 million in non-operating pension costs with an offset to accumulated other comprehensive loss as a result of the freeze of the pension plans.

During 2019, we offered approximately 4,500 vested former employees in our U.S. defined benefit plan a one-time option to receive a lump sum distribution of their benefits. Approximately 1,700 former employees, or 38% of those that were offered the distribution, accepted the offer. In December 2019, we made payments of approximately \$80 million from the U.S. defined benefit plan assets, which resulted in a settlement of \$90 million, representing approximately 4% of our U.S. pension plan obligations. We recognized a settlement loss of \$32 million of the pro-rata share of the unrecognized actuarial losses existing at the time of the settlement.

The funding policy for these plans is to make contributions based on annual service costs plus amortization of unfunded past service liability, but not greater than the maximum allowable contribution deductible for federal income tax purposes. We may, from time to time, make voluntary contributions to our pension plans, which exceed the amount required by statute. The majority of the plans' assets are invested in a master trust that, in turn, is invested primarily in commingled funds whose investments are listed stocks and bonds. During 2020, total global pension contributions were \$136 million, which included \$98 million of prefunding contributions for our U.S. pension plan for 2021 through 2023, compared with \$72 million in 2019.

We also have a non-qualified supplemental pension plan covering certain U.S. employees, which provides for incremental pension payments so that the participants' payments equal the amounts that could have been received under our qualified pension plan if it were not for limitations imposed by income tax regulations. The accrued pension liability related to this plan was \$61 million and \$58 million as of December 31, 2020 and 2019, respectively.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Pension Expense

Pension expense from continuing operations was as follows:

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Company-administered plans:			
Service cost	\$ 11,915	\$ 11,007	\$ 12,108
Interest cost	67,781	84,960	78,234
Expected return on plan assets	(97,526)	(91,034)	(101,980)
Pension settlement expense	—	34,974	3,061
Curtailment loss	9,329	—	—
Amortization of:			
Net actuarial loss	31,134	30,708	28,593
Prior service cost	653	711	550
	<u>23,286</u>	<u>71,326</u>	<u>20,566</u>
Multi-employer plans	10,977	10,582	9,326
Net pension expense	<u>\$ 34,263</u>	<u>\$ 81,908</u>	<u>\$ 29,892</u>
Company-administered plans:			
U.S.	\$ 32,503	\$ 75,936	\$ 28,043
Foreign	(9,217)	(4,610)	(7,477)
	<u>23,286</u>	<u>71,326</u>	<u>20,566</u>
Multi-employer plans	10,977	10,582	9,326
	<u>\$ 34,263</u>	<u>\$ 81,908</u>	<u>\$ 29,892</u>

Non-operating pension costs include the amortization of net actuarial loss and prior service cost, interest cost and expected return on plan assets components of pension and postretirement benefit costs, as well as any charges for settlements or curtailments.

The following table sets forth the weighted-average actuarial assumptions used in determining our annual pension expense:

	U.S. Plans Years ended December 31,			Foreign Plans Years ended December 31,		
	2020	2019	2018	2020	2019	2018
Discount rate	3.18%	4.35%	3.70%	2.28%	3.04%	2.70%
Rate of increase in compensation levels	3.00%	3.00%	3.00%	3.11%	3.08%	3.08%
Expected long-term rate of return on plan assets	5.05%	5.40%	5.40%	4.99%	5.36%	5.50%
Gain and loss amortization period (years)	21	22	21	24	24	26

The return on plan assets assumption reflects the weighted-average of the expected long-term rates of return for the broad categories of investments held in the plans. The expected long-term rate of return is adjusted when there are fundamental changes in expected returns or in asset allocation strategies of the plan assets.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Obligations and Funded Status

The following table sets forth the benefit obligations, assets and funded status associated with our pension plans:

	2020	2019
	(In thousands)	
Change in benefit obligations:		
Benefit obligations at January 1	\$ 2,324,080	\$ 2,135,143
Service cost	11,915	11,007
Interest cost	67,781	84,960
Actuarial (gain) loss	212,099	274,456
Pension curtailment and settlement	(19,052)	(102,905)
Benefits paid	(104,977)	(96,290)
Foreign currency exchange rate changes	17,247	17,709
Benefit obligations at December 31	<u>2,509,093</u>	<u>2,324,080</u>
Change in plan assets:		
Fair value of plan assets at January 1	1,978,708	1,725,543
Actual return on plan assets	275,372	348,354
Employer contribution	136,029	72,202
Benefits paid	(104,977)	(96,290)
Pension settlement	—	(93,049)
Foreign currency exchange rate changes	18,864	21,948
Fair value of plan assets at December 31	<u>2,303,996</u>	<u>1,978,708</u>
Funded status	<u>\$ (205,097)</u>	<u>\$ (345,372)</u>
Funded percent	<u>92 %</u>	<u>85 %</u>

The funded status of our pension plans was presented in the Consolidated Balance Sheets as follows:

	December 31,	
	2020	2019
	(In thousands)	
Noncurrent asset	\$ 63,857	\$ 72,320
Current liability	(3,776)	(3,863)
Noncurrent liability	(265,178)	(413,829)
Net amount recognized	<u>\$ (205,097)</u>	<u>\$ (345,372)</u>

Amounts recognized in accumulated other comprehensive loss (pre-tax) consisted of:

	December 31,	
	2020	2019
	(In thousands)	
Prior service cost	\$ 3,816	\$ 13,798
Net actuarial loss	855,300	869,907
Net amount recognized	<u>\$ 859,116</u>	<u>\$ 883,705</u>

In 2021, we expect to amortize \$28 million of net actuarial loss as a component of pension expense.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table sets forth the weighted-average actuarial assumptions used in determining funded status:

	U.S. Plans December 31,		Foreign Plans December 31,	
	2020	2019	2020	2019
Discount rate	2.60%	3.30%	1.53%	2.30%
Rate of increase in compensation levels	3.00%	3.00%	3.11%	3.11%

As of December 31, 2020 and 2019, our total accumulated benefit obligations, as well as our pension plan obligations (projected benefit obligations (PBO) and accumulated benefit obligations (ABO)) in excess of the fair value of the related plan assets, for our U.S. and foreign plans were as follows:

	U.S. Plans December 31,		Foreign Plans December 31,		Total December 31,	
	2020	2019	2020	2019	2020	2019
	(In thousands)					
Total accumulated benefit obligations	\$ 1,940,549	\$ 1,812,813	\$ 566,177	\$ 489,135	\$ 2,506,726	\$ 2,301,948
Plans with pension obligations in excess of plan assets:						
PBO	1,940,704	1,832,786	9,848	8,693	1,950,552	1,841,479
ABO	1,940,549	1,812,813	7,995	7,025	1,948,544	1,819,838
Fair value of plan assets	1,681,598	1,423,787	—	—	1,681,598	1,423,787

Plan Assets

Our pension investment strategy is to reduce the effects of future volatility on the fair value of our pension assets relative to our pension obligations. We increase our allocation of high quality, longer-term fixed income securities and reduce our allocation of equity investments as the funded status of the plans improve. The plans utilize several investment strategies, including actively and passively managed equity and fixed income strategies. The investment policy establishes targeted allocations for each asset class that incorporate measures of asset and liability risks. Deviations between actual pension plan asset allocations and targeted asset allocations may occur as a result of investment performance and changes in the funded status from time to time. Rebalancing of our pension plan asset portfolios is evaluated periodically and rebalanced if actual allocations exceed an acceptable range. Equity securities primarily include investments in both domestic and international common collective trusts and publicly traded equities. Fixed income securities primarily include domestic collective trusts and corporate bonds. Other types of investments include private equity fund-of-funds and hedge fund-of-funds. U.S. plans account for approximately 73% of our total pension plan assets. Equity and fixed income securities in our international plans include actively and passively managed mutual fund.

The following table presents the fair value of each major category of pension plan assets and the level of inputs used to measure fair value as of December 31, 2020 and 2019:

<u>Asset Category</u>	Fair Value Measurements at December 31, 2020			
	Total	Level 1	Level 2	Level 3
	(In thousands)			
Equity securities:				
U.S. common collective trusts	\$ 371,893	\$ —	\$ 371,893	\$ —
Foreign common collective trusts	263,023	—	263,023	—
Fixed income securities:				
Corporate bonds	98,715	—	98,715	—
Common collective trusts	1,447,225	—	1,447,225	—
Private equity and hedge funds	123,140	—	—	123,140
Total	\$ 2,303,996	\$ —	\$ 2,180,856	\$ 123,140

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Asset Category	Fair Value Measurements at December 31, 2019			
	Total	Level 1	Level 2	Level 3
	(In thousands)			
Equity securities:				
U.S. common collective trusts	\$ 384,739	\$ —	\$ 384,739	\$ —
Foreign common collective trusts	379,717	—	379,717	—
Fixed income securities:				
Corporate bonds	84,519	—	84,519	—
Common collective trusts	1,011,515	—	1,011,515	—
Private equity and hedge funds	118,218	—	—	118,218
Total	<u>\$ 1,978,708</u>	<u>\$ —</u>	<u>\$ 1,860,490</u>	<u>\$ 118,218</u>

The following is a description of the valuation methodologies used for our pension assets as well as the level of input used to measure fair value:

Equity securities — These investments include common and preferred stocks and index common collective trusts that track U.S. and foreign indices. The common collective trusts were valued at the unit prices established by the funds' sponsors based on the fair value of the assets underlying the funds. Since the units of the funds are not actively traded, the fair value measurements have been classified within Level 2 of the fair value hierarchy.

Fixed income securities — These investments include investment grade bonds of U.S. issuers from diverse industries, government issuers, index common collective trusts that track the Barclays Aggregate Index and other fixed income investments (primarily mortgage-backed securities). Fair values for the corporate bonds were valued using third-party pricing services. These sources determine prices utilizing market income models which factor in, where applicable, transactions of similar assets in active markets, transactions of identical assets in infrequent markets, interest rates, bond or credit default swap spreads and volatility. Since the corporate bonds are not actively traded, the fair value measurements have been classified within Level 2 of the fair value hierarchy. The common collective trusts were valued at the unit prices established by the funds' sponsors based on the fair value of the assets underlying the funds. Since the units of the funds are not actively traded, the fair value measurements have been classified within Level 2 of the fair value hierarchy. The other investments are not actively traded and fair values are estimated using bids provided by brokers, dealers or quoted prices of similar securities with similar characteristics or pricing models. Therefore, the other investments have been classified within Level 2 of the fair value hierarchy.

Private equity and hedge funds — These investments represent limited partnership interests in private equity and hedge funds. The partnership interests are valued by the general partners based on the underlying assets in each fund. The limited partnership interests are valued using unobservable inputs and have been classified within Level 3 of the fair value hierarchy.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table presents a summary of changes in the fair value of the pension plans' Level 3 assets for 2020 and 2019:

	2020	2019
	(In thousands)	
Beginning balance at January 1	\$ 118,218	\$ 121,836
Return on plan assets:		
Relating to assets still held at the reporting date	8,969	5,752
Relating to assets sold during the period	—	(44)
Purchases, sales, settlements and expenses	(4,047)	(9,326)
Ending balance at December 31	<u>\$ 123,140</u>	<u>\$ 118,218</u>

The following table details pension benefits expected to be paid in each of the next five fiscal years and in aggregate for the five fiscal years thereafter:

	(In thousands)	
2021	\$	108,724
2022		111,015
2023		114,655
2024		118,086
2025		120,260
2026-2030		623,627

Multi-employer Plans

We participate in multi-employer plans that provide defined benefits to certain employees covered by collective-bargaining agreements. Such plans are usually administered by a board of trustees comprised of the management of the participating companies and labor representatives. The net pension cost of these plans, which is included in the pension expense table above, is equal to the annual contribution determined in accordance with the provisions of negotiated labor contracts.

As of December 31, 2020, all plans are considered in the green zone for the most recent Pension Protection Act zone status, except for IAM National (red) and New England Teamsters & Trucking Industry (red). Plans in the red zone are generally less than sixty-five percent funded, plans in the yellow zone are less than eighty percent funded, and plans in the green zone are at least eighty percent funded. However, the trustees of IAM National voluntarily elected to put the fund in red status, even though the plan is at least eighty percent funded, and implemented a rehabilitation plan in 2019.

Savings Plans

Employees who do not actively participate in pension plans and are not covered by union-administered plans are generally eligible to participate in enhanced savings plans. These plans provide for (1) a company contribution even if employees do not make contributions for employees hired before January 1, 2016, (2) a company match of employee contributions of eligible pay, subject to tax limits and (3) a discretionary company match. Savings plan costs totaled \$40 million, \$39 million and \$40 million in 2020, 2019 and 2018, respectively.

Deferred Compensation and Long-Term Compensation Plans

We have deferred compensation plans that permit eligible U.S. employees, officers and directors to defer a portion of their compensation. The deferred compensation liability, including Ryder matching amounts and accumulated earnings, was \$83 million and \$71 million as of December 31, 2020 and 2019, respectively.

We have established grantor trusts (Rabbi Trusts) to provide funding for benefits payable under the supplemental pension plan, deferred compensation plans and long-term incentive compensation plans. The assets held in the trusts were \$84 million and \$72 million as of December 31, 2020 and 2019, respectively. The Rabbi Trusts' assets consist of short-term cash investments and a managed portfolio of equity securities, including our common stock. These assets, except for the investment in our common stock, are included in "Sales-type leases and other assets" because they are available to our general creditors in the event of insolvency. The equity securities are classified as trading securities and stated at fair value. During 2020, 2019 and 2018, we recognized realized and unrealized investment income gains (losses) of \$11 million, \$11 million and (\$3) million,

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

respectively, in "Miscellaneous income, net". The Rabbi Trusts' investments in our common stock as of both December 31, 2020 and 2019 were not material.

Investments held in Rabbi Trusts are assets measured at fair value on a recurring basis, all of which are considered Level 1 of the fair value hierarchy. The following table presents the asset classes as of December 31, 2020 and 2019:

	December 31,	
	2020	2019
	(In thousands)	
Cash and cash equivalents	\$ 24,573	\$ 18,460
U.S. equity mutual funds	39,066	34,035
Foreign equity mutual funds	8,389	8,658
Fixed income mutual funds	10,269	9,800
Total Investments held in Rabbi Trusts	\$ 82,297	\$ 70,953

Other Postretirement Benefits

We sponsor plans that provide retired U.S. and Canadian employees with certain healthcare and life insurance benefits. The postretirement medical plan was closed to non-grandfathered participants in 2013. This plan requires employee contributions that vary based on years of service and include provisions that limit our contributions. The benefit obligation was \$22 million as of both December 31, 2020 and 2019. Postretirement benefit expense was not material for 2020, 2019 and 2018.

19. ENVIRONMENTAL MATTERS

Our operations involve storing and dispensing petroleum products, primarily diesel fuel, regulated under environmental protection laws. These laws require us to eliminate or mitigate the effect of such substances on the environment. In response to these requirements, we continually upgrade our operating facilities and implement various programs to detect and minimize contamination. In addition, we have received notices from the Environmental Protection Agency (EPA) and others that we have been identified as a potentially responsible party under the Comprehensive Environmental Response, Compensation, and Liability Act; the Superfund Amendments and Reauthorization Act; and similar state statutes. We may be required to share in the cost of cleanup of 22 identified disposal sites.

Our environmental expenses consist of remediation costs as well as normal recurring expenses such as licensing, testing and waste disposal fees and were not material for any period presented. Our asset retirement obligations of \$27 million and \$28 million as of December 31, 2020 and 2019, respectively, primarily relate to fuel tanks to be removed.

The ultimate cost of our environmental liabilities cannot presently be projected with certainty due to the presence of several unknown factors, primarily the level of contamination, the effectiveness of selected remediation methods, the stage of investigation at individual sites, the determination of our liability in proportion to other responsible parties and the recoverability of such costs from third parties. Based on information presently available, we believe that the ultimate disposition of these matters, although potentially material to the results of operations in any one year, will not have a material adverse effect on our financial condition or liquidity.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

20. OTHER ITEMS IMPACTING COMPARABILITY

Our primary measure of segment performance as shown in Note 23, "Segment Reporting," excludes certain items we do not believe are representative of the ongoing operations of the segment. Excluding these items from our segment measure of performance allows for better year over year comparison:

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Restructuring and other, net	\$ 76,364	\$ 35,308	\$ 5,597
ERP implementation costs	34,251	21,260	742
Goodwill impairment ⁽¹⁾	—	—	15,513
Restructuring and other items, net	110,615	56,568	21,852
Gains on sale of properties	(5,418)	(18,614)	—
Early redemption of medium-term notes	8,999	—	—
ChoiceLease liability insurance revenue ⁽²⁾	(23,817)	—	—
Other items impacting comparability, net	\$ 90,379	\$ 37,954	\$ 21,852

⁽¹⁾ Refer to Note 7, "Goodwill," for additional information.

⁽²⁾ Refer to Note 23, "Segment Reporting," for additional information.

In 2020, 2019 and 2018, other items impacting comparability included:

- *Restructuring and other, net* — In 2020, this item primarily included expenses of \$44 million associated with our ChoiceLease liability insurance program which was discontinued in January 2020, professional fees related to the pursuit of a commercial claim and expenses related to the shutdown of several leased locations in the North America and U.K. FMS operations. The exit of the insurance liability program is estimated to be completed in the first quarter of 2021. In addition, we recorded severance costs of \$13 million in 2020 related to actions to reduce headcount, primarily in our North American and U.K. FMS operations. In 2019, we recognized employee termination costs related to the closure of several FMS maintenance locations in the U.S. and Canada. We also incurred charges related to cost savings initiatives and the pursuit of a commercial claim and we recognized income from our Singapore operations that were shut down during the second quarter of 2019. In 2018, we recognized restructuring charges and a loss from our Singapore operations that were shut down during the second quarter of 2019 partially offset by restructuring credits from the sale of certain U.K. facilities that were closed as part of restructuring activities. We also incurred charges in 2018 related to cost savings initiatives and transaction costs related to the acquisitions of MXD and Metro.
- *ERP implementation costs* — This item relates to charges in connection with the implementation of an Enterprise Resource Planning (ERP) system. In July 2020, we went live with the first module of our ERP system for human resources.
- *Gains on sale of properties* — In 2020, we recorded gains on the sale of certain FMS maintenance properties in the U.S. and U.K. that were closed related to cost reduction actions. In 2019, we recorded gains on the sale of certain SCS properties. These gains are reflected within "Miscellaneous (income) loss, net" in the Consolidated Statements of Earnings.
- *Early redemption of medium-term notes* — We recognized a charge related to the early redemption of two medium term-notes in the fourth quarter of 2020. This charge is reflected within "Interest expense" in the Consolidated Statements of Earnings.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

21. CONTINGENCIES AND OTHER MATTERS

We are a party to various claims, complaints and proceedings arising in the ordinary course of our continuing business operations including, but not limited to, those relating to commercial and employment claims, environmental matters, risk management matters (e.g., vehicle liability, workers' compensation, etc.), and administrative assessments primarily associated with operating taxes. We have established loss provisions for matters in which losses are probable and can be reasonably estimated. We believe that the resolution of these claims, complaints and legal proceedings will not have a material effect on our consolidated financial statements.

Our estimates regarding potential losses and materiality are based on our judgment and assessment of the claims utilizing currently available information. Although we will continue to reassess our reserves and estimates based on future developments, our objective assessment of the legal merits of such claims may not always be predictive of the outcome and actual results may vary from our current estimates. In 2020, we accrued \$8 million related primarily to adverse developments in several cases related to payments for transportation services in Brazil that was recorded in discontinued operations.

Securities Litigation Relating to Residual Value Estimates

On May 20, 2020, a putative class action on behalf of purchasers of our securities who purchased or otherwise acquired their securities between July 23, 2015 and February 13, 2020, inclusive (the "Class Period"), was commenced against Ryder and certain of our current and former officers in the U.S. District Court for the Southern District of Florida, captioned Key West Policy & Fire Pension Fund v. Ryder System, Inc., et al. The complaint alleges, among other things, that the defendants misrepresented Ryder's depreciation policy and residual value estimates for its vehicles during the Class Period in violation of Section 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, and seeks to recover, among other things, unspecified compensatory damages and attorneys' fees and costs. On August 3, 2020, the State of Alaska, Alaska Permanent Fund, the City of Fort Lauderdale General Employees' Retirement System, and the City of Plantation Police Officers Pension Fund were appointed lead plaintiffs. On October 5, 2020, the lead plaintiffs filed an amended complaint. On December 4, 2020, Ryder and the other named defendants in the case filed a Motion to Dismiss the amended complaint. Briefing on the motion to dismiss is expected to be completed March 2021.

In addition, on June 26, 2020 and August 6, 2020, two shareholder derivative complaints purportedly on behalf of Ryder were filed in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida, against us as nominal defendant and certain of our current and former officers and our current directors, relating to the allegations set forth in the securities class action complaint and alleging breaches of fiduciary duties and unjust enrichment. The plaintiffs, on our behalf, are seeking an award of monetary damages and restitution to us, improvements in our corporate governance and internal procedures, and legal fees. These derivative cases have been consolidated and stayed pending resolution of the Motion to Dismiss in the securities class action described above. On February 2, 2021, a third shareholder derivative complaint was filed in the same court asserting substantially similar claims as in the consolidated derivative action.

Also, on January 19, 2021, another shareholder derivative complaint purportedly on behalf of Ryder was filed in U.S. District Court for the Southern District of Florida against us as nominal defendant and certain of our current and former officers and directors, alleging violations of Section 10(b), Section 14(a), and Section 20(a) of the Securities Exchange Act of 1934 and breaches of fiduciary duties, unjust enrichment, and waste of corporate assets. Also, on February 8, 2021, another shareholder derivative complaint was filed in the same court, asserting claims for breach of fiduciary duty and unjust enrichment. Both complaints are based on the allegation set forth in the securities class action complaint and seek similar relief on our behalf to that sought in the derivative complaints that were filed in Florida state court.

We believe the claims asserted in the complaints are without merit and intend to defend against them vigorously.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

22. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information was as follows:

	As of and For the years ended December 31,		
	2020	2019	2018
	(In thousands)		
Interest paid ⁽¹⁾	\$ 245,804	\$ 225,842	\$ 161,826
Income taxes paid	14,259	6,325	22,965
Cash paid for amounts included in measurement of liabilities:			
Operating cash flows from operating leases	90,301	93,383	85,980
Right-of-use assets obtained in exchange for lease obligations:			
Finance leases	14,298	21,749	15,324
Operating leases	124,872	96,810	114,990
Capital expenditures acquired but not yet paid	108,675	185,264	298,425

(1) Excludes cash paid for prepayment penalty related to the early redemption of two medium-term notes.

23. SEGMENT REPORTING

Our operating segments are aggregated into reportable business segments based upon similar economic characteristics, products, services, customers and delivery methods.

Our primary measurement of segment financial performance, defined as “Earnings (loss) from continuing operations before income taxes” (EBT), includes an allocation of costs from Central Support Services (CSS) and excludes non-operating pension costs and certain other items as described in Note 20, “Other Items Impacting Comparability.” CSS represents those costs incurred to support all business segments, including finance and procurement, corporate services, human resources, information technology, public affairs, legal, marketing and corporate communications. The objective of the EBT measurement is to provide clarity on the profitability of each business segment and, ultimately, to hold leadership of each business segment accountable for their allocated share of CSS costs. Certain costs are not attributable to any segment and remain unallocated in CSS, including costs for investor relations, public affairs and certain executive compensation. CSS costs attributable to the business segments are predominantly allocated to FMS, SCS and DTS as follows:

- *Finance, corporate services, and health and safety* — allocated based upon estimated and planned resource utilization;
- *Human resources* — individual costs within this category are allocated under various methods, including allocation based on estimated utilization and number of personnel supported;
- *Information technology* — principally allocated based upon utilization-related metrics such as number of users or minutes of CPU time. Customer-related project costs and expenses are allocated to the business segment responsible for the project; and
- *Other* — represents legal and other centralized costs and expenses including certain share-based incentive compensation costs. Expenses, where allocated, are based primarily on the number of personnel supported.

Our FMS segment leases revenue earning equipment and provides fuel, maintenance and other ancillary services to the SCS and DTS segments. EBT related to inter-segment equipment and services billed to SCS and DTS customers (equipment contribution) are included in both FMS and the segment that served the customer and then eliminated upon consolidation (presented as “Eliminations”). Inter-segment EBT allocated to SCS and DTS includes earnings related to equipment used in providing services to SCS and DTS customers.

Segment results are not necessarily indicative of the results of operations that would have occurred had each segment been an independent, stand-alone entity during the periods presented. Each business segment follows the same accounting policies as described in Note 1, “Summary of Significant Accounting Policies.” However, we do not record right-of-use assets or liabilities for our intercompany operating leases between FMS and SCS and DTS business segments. The following tables

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

set forth financial information for each of our segments and provide a reconciliation between segment EBT and earnings from continuing operations before income taxes.

	Years ended December 31,		
	2020	2019	2018
	(In thousands)		
Revenue:			
Fleet Management Solutions:			
ChoiceLease	\$ 3,159,909	\$ 3,077,051	\$ 2,832,046
SelectCare	514,310	541,358	502,835
Commercial rental	834,232	1,009,086	960,606
Other	69,125	92,286	87,331
Fuel services revenue	569,074	816,362	847,655
ChoiceLease liability insurance revenue ⁽¹⁾	23,817	35,260	28,220
Fleet Management Solutions	5,170,467	5,571,403	5,258,693
Supply Chain Solutions	2,544,420	2,551,271	2,398,144
Dedicated Transportation Solutions	1,229,374	1,417,483	1,333,313
Eliminations ⁽²⁾	(524,170)	(614,356)	(576,204)
Total revenue	\$ 8,420,091	\$ 8,925,801	\$ 8,413,946
Earnings (Loss) From Continuing Operations Before Income Taxes:			
Fleet Management Solutions	\$ (141,957)	\$ (70,274)	\$ 340,038
Supply Chain Solutions	159,940	145,060	130,262
Dedicated Transportation Solutions	73,442	81,149	61,236
Eliminations	(42,801)	(50,732)	(63,593)
	48,624	105,203	467,943
Unallocated Central Support Services ⁽³⁾	(77,438)	(49,114)	(49,081)
Non-operating pension costs ⁽⁴⁾	(11,167)	(60,406)	(7,541)
Other items impacting comparability, net ⁽⁵⁾	(90,379)	(37,954)	(21,852)
Earnings (loss) from continuing operations before income taxes	\$ (130,360)	\$ (42,271)	\$ 389,469

(1) In the first quarter of 2020, we announced our plan to exit the extension of our liability insurance coverage for ChoiceLease customers. The exit of this program is estimated to be completed in the first quarter of 2021. We have reclassified the revenues associated with this program from our ChoiceLease revenues for better comparability of our on-going operations as this is now consistent with management reporting.

(2) Represents the elimination of intercompany revenues in our FMS business segment.

(3) Includes a one-time, special recognition and retention bonus of approximately \$28 million for our front-line non-incentive compensation plan eligible employees paid in the fourth quarter of 2020.

(4) Non-operating pension costs include the amortization of net actuarial loss and prior service cost, interest cost and expected return on plan assets components of pension and postretirement benefit costs and curtailment and settlement charges if one has occurred. Refer to Note 18, "Employee Benefit Plans," for a discussion on these items.

(5) Refer to Note 20, "Other Items Impacting Comparability," for a discussion of items excluded from our primary measure of segment performance.

RYDER SYSTEM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following table sets forth depreciation expense, amortization expense and other non-cash charges, net, interest expense (income), capital expenditures paid and total assets for the years ended December 31, 2020, 2019 and 2018, as provided to the chief operating decision-maker for each of our reportable business segments:

	FMS	SCS	DTS	CSS	Eliminations	Total
	(In thousands)					
2020						
Depreciation expense ⁽¹⁾	\$ 1,981,426	\$ 38,652	\$ 2,955	\$ 4,380	\$ —	\$ 2,027,413
Amortization expense and other non-cash charges, net	135,499	68,878	1,025	2,344	—	207,746
Interest expense (income) ⁽²⁾	255,264	602	(3,176)	8,652	—	261,342
Capital expenditures paid	1,089,773	37,742	1,459	17,547	—	1,146,521
Total assets	11,274,450	1,313,312	295,738	328,329	(279,875)	12,931,954
2019						
Depreciation expense ⁽¹⁾	\$ 1,825,816	\$ 42,428	\$ 3,795	\$ 6,890	\$ —	\$ 1,878,929
Amortization expense and other non-cash charges, net	128,322	61,419	1,510	4,077	—	195,328
Interest expense (income) ⁽²⁾	243,406	1,038	(3,224)	161	—	241,381
Capital expenditures paid	3,643,573	49,421	2,182	39,998	—	3,735,174
Total assets	12,991,716	1,236,589	327,384	305,631	(385,986)	14,475,334
2018						
Depreciation expense ⁽¹⁾	\$ 1,346,484	\$ 34,631	\$ 4,773	\$ 2,682	\$ —	\$ 1,388,570
Amortization expense and other non-cash charges, net	82,980	70,099	1,545	1,053	—	155,677
Interest expense (income) ⁽²⁾	181,335	1,171	(2,262)	244	—	180,488
Capital expenditures paid	2,979,482	45,348	1,444	24,135	—	3,050,409
Total assets	11,854,454	1,123,864	324,906	404,999	(360,415)	13,347,808

(1) Depreciation expense totaling \$27 million, \$27 million and \$25 million during 2020, 2019 and 2018, respectively, associated with CSS assets was allocated to business segments based upon estimated and planned asset utilization.

(2) Interest expense was primarily allocated to the FMS segment since such borrowings were used principally to fund the purchase of revenue earning equipment used in FMS; however, interest was also reflected in SCS and DTS based on targeted segment leverage ratios.

Geographic Information

	December 31,	
	2020	2019
	(In thousands)	
Long-lived assets:		
United States	\$ 8,682,657	\$ 10,106,520
Foreign:		
Canada	622,111	737,037
Europe	337,310	439,772
Mexico	61,995	62,134
	<u>1,021,416</u>	<u>1,238,943</u>
Total	<u>\$ 9,704,073</u>	<u>\$ 11,345,463</u>

RYDER SYSTEM, INC. AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at Beginning of Period	Additions		Deductions ⁽²⁾	Balance at End of Period
		Charged to Earnings	Transferred from Other Accounts ⁽¹⁾		
(In thousands)					
2020					
Accounts receivable allowance	\$ 22,761	34,191	—	13,928	\$ 43,024
Self-insurance accruals ⁽³⁾	\$ 410,985	426,065	88,928	482,363	\$ 443,615
Valuation allowance on deferred tax assets	\$ 17,577	25,510	—	1,934	\$ 41,153
2019					
Accounts receivable allowance	\$ 17,182	23,003	—	17,424	\$ 22,761
Self-insurance accruals ⁽³⁾	\$ 357,526	436,148	86,832	469,521	\$ 410,985
Valuation allowance on deferred tax assets	\$ 16,186	1,906	—	515	\$ 17,577
2018					
Accounts receivable allowance	\$ 13,847	10,890	—	7,555	\$ 17,182
Self-insurance accruals ⁽³⁾	\$ 348,612	359,528	82,904	433,518	\$ 357,526
Valuation allowance on deferred tax assets	\$ 18,667	(534)	—	1,947	\$ 16,186

(1) Transferred from other accounts includes employee contributions made to the medical and dental self-insurance plans.

(2) Deductions represent write-offs, insurance claim payments during the period and net foreign currency translation adjustments.

(3) Self-insurance accruals include vehicle liability, workers' compensation, property damage, cargo and medical and dental, which comprise our self-insurance programs. Amounts charged to earnings included developments in prior years' selected loss development factors, which charged earnings by \$18 million in 2020 and 2019 and benefited earnings by \$1 million in 2018.

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON
ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of management, including Ryder's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of Ryder's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as of December 31, 2020, Ryder's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) were effective.

Management's Report on Internal Control over Financial Reporting

Management's Report on Internal Control over Financial Reporting and the Report of Independent Registered Certified Public Accounting Firm thereon are set out in Item 8 of Part II of this Form 10-K Annual Report.

Changes in Internal Controls over Financial Reporting

During the three months ended December 31, 2020, there were no changes in Ryder's internal control over financial reporting that have materially affected or are reasonably likely to materially affect such internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 with respect to executive officers is included within Item 1 in Part I under the caption "Information about our Executive Officers" of this Form 10-K Annual Report.

The information required by Item 10 with respect to directors, audit committee, audit committee financial experts and Section 16(a) beneficial ownership reporting compliance (to the extent applicable) is included under the captions "Election of Directors," "Audit Committee," and "Delinquent Section 16(a) Reports," respectively, in our definitive proxy statement, which will be filed with the Commission within 120 days after the close of the fiscal year, and is incorporated herein by reference.

Ryder has adopted a code of conduct applicable to all employees, including its Chief Executive Officer, Chief Financial Officer, Controller and Senior Financial Management. We will provide a copy of our code of conduct to anyone, free of charge, upon request through our Investor Relations Page, on our website at www.ryder.com.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is included under the captions "Compensation Discussion and Analysis," "Executive Compensation," "Compensation Committee," "Compensation Committee Report on Executive Compensation" and "Director Compensation" in our definitive proxy statement, which will be filed with the Commission within 120 days after the close of the fiscal year, and is incorporated herein by reference.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS
AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information required by Item 12 with respect to security ownership of certain beneficial owners and management is included under the captions “Security Ownership of Officers and Directors” and “Security Ownership of Certain Beneficial Owners” in our definitive proxy statement, which will be filed with the Commission within 120 days after the close of the fiscal year, and is incorporated herein by reference.

Securities Authorized for Issuance under Equity Compensation Plans

The following table includes information as of December 31, 2020 about certain plans that provide for the issuance of common stock in connection with the exercise of stock options and other share-based awards.

Plans	Number of Securities to be issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans Excluding Securities Reflected in Column (a)
	(a)	(b)	(c)
Equity compensation plans approved by security holders:			
Broad based employee and non-employee directors' stock plan	3,690,545 ⁽¹⁾	\$71.09 ⁽²⁾	2,285,274 ⁽³⁾
Employee stock purchase plan	—	—	2,036,267
Total	3,690,545	\$71.09	4,321,541

(1) Includes broad based employee stock options and other share-based awards of 1,962,658 stock options, 953,598 time-vested restricted stock awards and 527,521 performance-based restricted stock awards calculated at target. Includes non-employee directors' awards of 240,930 time-vested restricted stock awards, as well as 5,838 time-vested restricted stock awards awarded to non-executive directors and vested but not exercisable until six months after the director's retirement. Refer to Note 17, "Share-Based Compensation Plans", for additional information.

(2) Weighted-average exercise price of outstanding options excludes restricted stock awards and restricted stock units.

(3) Calculated by reducing shares authorized for issuance by a ratio of two shares for each share issued (on a 1:2 ratio) other than with respect to shares delivered pursuant to a stock option which shall reduce the shares available by one share (on a 1:1 ratio) as set forth under the terms of the 2019 Equity and Incentive Compensation Plan and assuming maximum performance for the performance-based restricted stock awards. All future awards issued will reduce the shares available for issuance by the terms set forth in the 2019 Equity and Incentive Compensation Plan, as described in the previous sentence.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS,
AND DIRECTOR INDEPENDENCE**

The information required by Item 13 is included under the captions “Board of Directors” and “Related Person Transactions” in our definitive proxy statement, which will be filed with the Commission within 120 days after the close of the fiscal year, and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 is included under the caption “Ratification of Independent Auditor” in our definitive proxy statement, which will be filed with the Commission within 120 days after the close of the fiscal year, and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Items A through H and Schedule II are presented on the following pages of this Form 10-K Annual Report:

	<u>Page No.</u>
1. Financial Statements for Ryder System, Inc. and Consolidated Subsidiaries:	
A) Management's Report on Internal Control over Financial Reporting	68
B) Report of Independent Registered Certified Public Accounting Firm	69
C) Consolidated Statements of Earnings	72
D) Consolidated Statements of Comprehensive Income	73
E) Consolidated Balance Sheets	74
F) Consolidated Statements of Cash Flows	75
G) Consolidated Statements of Shareholders' Equity	76
H) Notes to Consolidated Financial Statements	77
2. Consolidated Financial Statement Schedule for the Years Ended December 31, 2020, 2019 and 2018	
Schedule II — Valuation and Qualifying Accounts	119

All other schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

3. Exhibits:
- The following exhibits are filed with this report or, where indicated, incorporated by reference (Forms 10-K, 10-Q and 8-K referenced herein have been filed under the Commission's file No. 1-4364). Ryder will provide a copy of the exhibits filed with this report at a nominal charge to those parties requesting them.

ITEM 16. FORM 10-K SUMMARY

None.

EXHIBIT INDEX

Exhibit Number	Description
3.1	<u>The Ryder System, Inc. Restated Articles of Incorporation (conformed copy incorporating all amendments through May 3, 2019), previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.</u>
3.2	<u>The Ryder System, Inc. By-Laws, as amended through May 3, 2019, previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.</u>
4.1	Ryder hereby agrees, pursuant to paragraph (b)(4)(iii) of Item 601 of Regulation S-K, to furnish the Commission with a copy of any instrument defining the rights of holders of long-term debt of Ryder, where such instrument has not been filed as an exhibit hereto and the total amount of securities authorized there under does not exceed 10% of the total assets of Ryder and its subsidiaries on a consolidated basis.
4.2	The First Supplemental Indenture between Ryder System, Inc. and The Chase Manhattan Bank (National Association) dated October 1, 1987, previously filed with the Commission as an exhibit to Ryder's Annual Report on Form 10-K for the year ended December 31, 1994, is incorporated by reference into this report.
4.3	The Form of Indenture between Ryder System, Inc. and The Chase Manhattan Bank (National Association) dated as of May 1, 1987, and supplemented as of November 15, 1990 and June 24, 1992, filed with the Commission on July 30, 1992 as an exhibit to Ryder's Registration Statement on Form S-3 (No. 33-50232), is incorporated by reference into this report.
4.4	<u>The Form of Indenture between Ryder System, Inc. and J.P. Morgan Trust Company (National Association) dated as of October 3, 2003 filed with the Commission on August 29, 2003 as an exhibit to Ryder's Registration Statement on Form S-3 (No. 333-108391), is incorporated by reference into this report.</u>
4.5	<u>Form of Medium-Term Note - Master Note, previously filed with the Commission on July 30, 2019, as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.</u>
4.6	<u>Description of Ryder System, Inc.'s Securities Registered Under Section 12 of the Securities Exchange Act of 1934, previously filed with the Commission on February 27, 2020 as an exhibit to Ryder's Annual Report on Form 10-K, is incorporated by reference in this report.</u>
10.1*	<u>The Ryder System, Inc. 2005 Equity Compensation Plan, previously filed with the Commission on March 21, 2008, as Appendix A to Ryder's Definitive Proxy Statement on Schedule 14A, is incorporated by reference into this report.</u>
10.2*	<u>The Ryder System, Inc. Stock Purchase Plan for Employees, previously filed with the Commission on March 29, 2010, as Appendix B to Ryder System, Inc.'s Definitive Proxy Statement on Schedule 14A, is incorporated by reference into this report.</u>
10.3*	<u>Terms and Conditions applicable to restricted stock units granted under the Ryder System, Inc. 2005 Equity Compensation Plan, previously filed with the Commission as an exhibit to Ryder's Quarterly Report on Form 8-K filed with the Commission on May 11, 2005, are incorporated by reference into this report.</u>
10.4*	<u>Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on May 10, 2012, is incorporated by reference into this report.</u>
10.5*	<u>Terms and Conditions applicable to non-qualified stock options granted under the Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on May 10, 2012, are incorporated by reference into this report.</u>
10.6*	<u>Terms and Conditions applicable to restricted stock units granted under the Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on May 10, 2012, are incorporated by reference into this report.</u>

**Exhibit
Number****Description**

10.7*	<u>Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on May 10, 2016 as an exhibit to Ryder's Quarterly Report on Form 8-K, is incorporated by reference to this report.</u>
10.8*	<u>Form of Terms and Conditions applicable to non-qualified stock options granted under the Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on July 27, 2016 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference to this report.</u>
10.9*	<u>Form of Terms and Conditions applicable to restricted stock units for non-employee directors granted under the Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on July 27, 2016 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference to this report.</u>
10.10*	<u>The Form of Amended and Restated Severance Agreement for Chief Executive Officer, previously filed with the Commission on February 14, 2017 as an exhibit to Ryder's Annual Report on Form 10-K for the year ended December 31, 2016, is incorporated by reference into this report.</u>
10.11*	<u>The Ryder System, Inc. Executive Severance Plan, effective as of January 1, 2017, previously filed with the Commission on February 14, 2017 as an exhibit to Ryder's Annual Report on Form 10-K for the year ended December 31, 2016, is incorporated by reference into this report.</u>
10.12*	<u>Form of Terms and Conditions applicable to non-qualified stock options granted under the Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on April 25, 2017 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference to this report.</u>
10.13*	<u>Form of Terms and Conditions applicable to restricted stock units for non-employee directors granted under the Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on April 25, 2017 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference to this report.</u>
10.14*	<u>Form of Terms and Conditions applicable to performance-based restricted stock rights granted under the Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on February 20, 2018 as an exhibit to Ryder's Annual Report on Form 10-K, is incorporated by reference to this report.</u>
10.15*	<u>The Form of Amended and Restated Severance Agreement for named executive officers (other than the Chief Executive Officer), previously filed with the Commission on February 20, 2018 as an exhibit to Ryder's Annual Report on Form 10-K, is incorporated by reference to this report.</u>
10.16*	<u>Form of Terms and Conditions applicable to stock-awards for non-employee directors issued under the Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on July 25, 2018 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference to this report.</u>
10.17*	<u>Form of Terms and Conditions applicable to deferred stock awards for non-employee directors issued under the Amended and Restated Ryder System, Inc. 2012 Equity and Incentive Compensation Plan, previously filed with the Commission on October 26, 2018 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference to this report.</u>
10.18*	<u>The Ryder System, Inc. Directors Stock Award Plan, as amended and restated at February 10, 2005, previously filed with the Commission on February 24, 2005 as an exhibit to Ryder's Annual Report on Form 10-K for the year ended December 31, 2004, is incorporated by reference into this report.</u>
10.19*	<u>The Ryder System, Inc. Directors Stock Plan, as amended and restated at May 7, 2004, previously filed with the Commission on February 24, 2005 as an exhibit to Ryder's Annual Report on Form 10-K for the year ended December 31, 2004, is incorporated by reference into this report.</u>
10.20*	<u>The Ryder System Benefit Restoration Plan, as amended and restated, previously filed with the Commission as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on February 11, 2009, is incorporated by reference into this report.</u>
10.21*	<u>Form of Indemnification Agreement for independent directors, effective as of February 24, 2016, previously filed with the Commission as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on February 29, 2016, is incorporated by reference into this report.</u>

Exhibit Number	Description
10.22*	<u>The Ryder System, Inc. Deferred Compensation Plan, effective as of January 1, 2009, previously filed with the Commission as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on February 11, 2009, is incorporated by reference to this report.</u>
10.23	<u>Second Amended and Restated Global Revolving Credit Agreement, dated as of September 28, 2018, by and among Ryder System, Inc., certain Ryder subsidiaries, and the lenders and agents named therein, previously filed with the Commission as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on October 3, 2018, is incorporated by reference to this report.</u>
10.24*	<u>Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on March 18, 2019, as Appendix A to Ryder System, Inc.'s Definitive Proxy Statement on Schedule 14A, is incorporated by reference into this report.</u>
10.25*	<u>Employment Offer Letter for Scott T. Parker, previously filed with the Commission on March 27, 2019, as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on March 27, 2019, is incorporated by reference in this report.</u>
10.26*	<u>Form of Terms and Conditions Applicable to Deferred Stock Awards for Non-Employee Directors issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.</u>
10.27*	<u>Form of Terms and Conditions Applicable to Non-Qualified Stock Options issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.</u>
10.28*	<u>Form of Terms and Conditions Applicable to Performance-Based Restricted Stock Rights issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.</u>
10.29*	<u>Form of Terms and Conditions Applicable to Restricted Stock Rights issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.</u>
10.30*	<u>Form of Terms and Conditions Applicable to Stock Awards for Non-Employee Directors issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.</u>
10.31*	<u>Ryder System, Inc. Non-Qualified Stock Option Award Granted as an "Employment Inducement Grant" under New York Stock Exchange Listing Rule 303A.08, previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.</u>
10.32*	<u>Ryder System, Inc. Restricted Stock Rights Award Granted as an "Employment Inducement Grant" under New York Stock Exchange Listing Rule 303A.08, previously filed with the Commission on May 9, 2019 as an exhibit to Ryder's Quarterly Report on Form 10-Q, is incorporated by reference in this report.</u>
10.33*	<u>Forms of Terms and Conditions Applicable to Non-Qualified Stock Options issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on February 27, 2020 as an exhibit to Ryder's Annual Report on Form 10-K, is incorporated by reference in this report.</u>
10.34*	<u>Form of Terms and Conditions Applicable to Performance-Based Restricted Stock Rights issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on February 27, 2020 as an exhibit to Ryder's Annual Report on Form 10-K, is incorporated by reference in this report.</u>
10.35*	<u>Form of Terms and Conditions Applicable to Restricted Stock Rights issued under the Ryder System, Inc. 2019 Equity and Incentive Compensation Plan, previously filed with the Commission on February 27, 2020 as an exhibit to Ryder's Annual Report on Form 10-K, is incorporated by reference in this report.</u>
10.36*	<u>The Ryder System, Inc. Stock Purchase Plan for Employees, previously filed with the Commission on March 16, 2020, as Appendix A to Ryder System, Inc.'s Definitive Proxy Statement on Schedule 14A, is incorporated by reference into this report.</u>
10.37*	<u>First Amendment to Second Amended and Restated Global Revolving Credit Agreement, dated as of May 22, 2020 by and among Ryder System, Inc., certain Ryder subsidiaries and the lenders and agents named therein previously filed with the Commission as an exhibit to Ryder's Current Report on Form 8-K filed with the Commission on May 22, 2020, is incorporated by reference to this report.</u>
10.38*	<u>Second Amendment to Second Amended and Restated Global Revolving Credit Agreement, dated as of December 11, 2020 by and among Ryder System, Inc., certain Ryder subsidiaries and the lenders and agents named therein.</u>
21.1	<u>List of subsidiaries of the registrant, with the state or other jurisdiction of incorporation or organization of each, and the name under which each subsidiary does business.</u>
23.1	<u>PricewaterhouseCoopers LLP consent to incorporation by reference in certain Registration Statements on Form S-8 and on Form S-3 of their report on Consolidated Financial Statements financial statement schedule and effectiveness of internal controls over financial reporting of Ryder System, Inc.</u>

Exhibit Number	Description
24	Manually executed powers of attorney for each of: Robert J. Eck Robert A. Hagemann Michael F. Hilton Tamara L. Lundgren Luis P. Nieto David G. Nord Abbie J. Smith E. Follin Smith Dmitri L. Stockton Hansel E. Tookes
31.1	Certification of Robert E. Sanchez pursuant to Rule 13a-14(a) or Rule 15d-14(a).
31.2	Certification of Scott T. Parker pursuant to Rule 13a-14(a) or Rule 15d-14(a).
32	Certification of Robert E. Sanchez and Scott T. Parker pursuant to Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

* Management contract or compensation plan arrangement pursuant to Item 601(b)(10) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 19, 2021

RYDER SYSTEM, INC.

By: /s/ ROBERT E. SANCHEZ

Robert E. Sanchez

Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: February 19, 2021

By: /s/ ROBERT E. SANCHEZ

Robert E. Sanchez

Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Date: February 19, 2021

By: /s/ SCOTT T. PARKER

Scott T. Parker

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: February 19, 2021

By: /s/ CRISTINA GALLO-AQUINO

Cristina Gallo-Aquino

Senior Vice President and Controller
(Principal Accounting Officer)

Date: February 19, 2021

By: ROBERT J. ECK *

Robert J. Eck

Director

Date: February 19, 2021

By: ROBERT A. HAGEMANN *

Robert A. Hagemann

Director

Date: February 19, 2021

By: MICHAEL F. HILTON*

Michael F. Hilton

Director

Date: February 19, 2021

By: TAMARA L. LUNDGREN*

Tamara L. Lundgren
Director

Date: February 19, 2021

By: LUIS P. NIETO, JR. *

Luis P. Nieto, Jr.
Director

Date: February 19, 2021

By: DAVID G. NORD *

David G. Nord
Director

Date: February 19, 2021

By: ABBIE J. SMITH *

Abbie J. Smith
Director

Date: February 19, 2021

By: E. FOLLIN SMITH *

E. Follin Smith
Director

Date: February 19, 2021

By: DMITRI L. STOCKTON *

Dmitri L. Stockton
Director

Date: February 19, 2021

By: HANSEL E. TOOKES, II *

Hansel E. Tookes, II
Director

Date: February 19, 2021

*By: /s/ ALENA BRENNER

Alena Brenner
Attorney-in-Fact, pursuant to a power of attorney

SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

THIS SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT (this "Agreement"), dated as of December 11, 2020 (the "Second Amendment Effective Date"), is entered into by and among RYDER SYSTEM, INC., a Florida corporation ("Ryder"), RYDER TRUCK RENTAL HOLDINGS CANADA LTD. ("Ryder Holdings Canada"), RYDER TRUCK RENTAL CANADA LTD. ("Ryder Canada Limited" and together with Ryder Holdings Canada, collectively, the "Canadian Borrowers"), RYDER LIMITED, a corporation organized under the laws of England and Wales ("Ryder Limited"), RYDER SYSTEM HOLDINGS (UK) LIMITED, a corporation organized under the laws of England and Wales ("RSH" and together with Ryder Limited, collectively, the "U.K. Borrowers") and RYDER PUERTO RICO, INC., a corporation organized under the laws of Delaware ("Ryder PR" and together with Ryder, the Canadian Borrowers and the U.K. Borrower, each, a "Borrower", and collectively, the "Borrowers"), the Banks party hereto, BANK OF AMERICA, N.A., as Administrative Agent (the "Administrative Agent") and the successor Swing Line Lender of U.K. Swing Line Loans (the "Successor U.K. Swing Line Lender"), ROYAL BANK OF CANADA, as Canadian Agent (the "Canadian Agent"), LLOYDS BANK PLC, as the resigning U.K. Agent (the "Resigning U.K. Agent") and the resigning Swing Line Lender of U.K. Swing Line Loans (the "Resigning U.K. Swing Line Lender"), BANK OF AMERICA, N.A., LONDON BRANCH, as the successor U.K. Agent (the "Successor U.K. Agent"), the Domestic Swing Line Lenders party hereto, the Issuing Banks party hereto, and the Exiting Banks (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Existing Credit Agreement (as defined below) or the Amended Credit Agreement (as defined below), as applicable.

RECITALS

WHEREAS, the Borrowers, the Banks from time to time party thereto and the Agents, entered into that certain Second Amended and Restated Global Revolving Credit Agreement dated as of September 28, 2018 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time prior to the Second Amendment Effective Date, the "Existing Credit Agreement");

WHEREAS, the Resigning U.K. Agent has notified Ryder and the Banks that it intends to resign as U.K. Agent and the Swing Line Lender of U.K. Swing Line Loans under the Existing Credit Agreement and the other Loan Documents;

WHEREAS, Ryder and the Banks party hereto desire to appoint the Successor U.K. Agent to act as the successor U.K. Agent under the Amended Credit Agreement and the other Loan Documents and the Successor U.K. Agent is willing to accept such appointment;

WHEREAS, the Successor U.K. Swing Line Lender is willing to become the Swing Line Lender of U.K. Swing Line Loans;

WHEREAS, the Borrowers have requested that the Existing Credit Agreement be amended as set forth below, subject to the terms and conditions specified in this Agreement; and

WHEREAS, the parties hereto are willing to amend the Existing Credit Agreement, subject to the terms and conditions specified in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Resignation and Appointment of U.K. Agent and U.K. Swing Line Lender.

(a) Pursuant to §16.6 of the Existing Credit Agreement, (i) (A) the Resigning U.K. Agent hereby resigns as U.K. Agent, (B) the Majority Banks and Ryder hereby appoint the Successor U.K. Agent as the successor U.K. Agent, and (C) the Successor U.K. Agent hereby accepts such appointment as successor U.K. Agent, and (ii) (A) the Resigning U.K. Swing Line Lender hereby resigns as a Swing Line Lender of U.K. Swing Line Loans and (B) the Successor U.K. Swing Line Lender hereby acknowledges that it shall become a Swing Line Lender of U.K. Swing Line Loans. Notwithstanding anything in §16.6 of the Existing Credit Agreement to the contrary, the parties hereto agree to waive the requirement that the Resigning U.K. Agent provide at least forty-five (45) days prior written notice prior to resigning as the U.K. Agent pursuant to this Agreement.

(b) After giving effect to this Agreement, (i) (A) the Resigning U.K. Agent shall be discharged from all of its duties and obligations as U.K. Agent under the Existing Credit Agreement and the other Loan Documents (provided, that, the provisions of §15, §16 and §18 of the Amended Credit Agreement shall continue in effect for the benefit of the Resigning U.K. Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the Resigning U.K. Agent was acting as the U.K. Agent) and (B) the Successor U.K. Agent shall succeed to and become vested with all of the rights, powers, privileges and duties of the U.K. Agent, and (ii) (A) the Resigning U.K. Swing Line Lender shall be discharged from all of its duties and obligations as a Swing Line Lender of U.K. Swing Line Loans under the Existing Credit Agreement and the other Loan Documents (provided, that, the provisions of §15 and §18 of the Amended Credit Agreement shall continue in effect for the benefit of the Resigning U.K. Swing Line Lender, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the Resigning U.K. Swing Line Lender was acting as a Swing Line Lender of U.K. Swing Line Loans) and (B) the Successor U.K. Swing Line Lender shall succeed to and become vested with all of the rights, powers, privileges and duties of a Swing Line Lender of U.K. Swing Line Loans.

(c) Each of the Resigning U.K. Agent and the Resigning U.K. Swing Line Lender covenants and agrees that it will, at the reasonable expense of the Borrowers, (i) execute all documents as may be reasonably requested by the Successor U.K. Agent or the Successor U.K. Swing Line Lender, as applicable, to transfer to the Successor U.K. Agent or the Successor U.K. Swing Line Lender, as applicable, the rights and privileges of the Resigning U.K. Agent as U.K. Agent or the Resigning U.K. Swing Line Lender as a Swing Line Lender of U.K. Swing Line Loans, as applicable, under the Loan Documents and (ii) take all necessary actions reasonably requested by the Successor U.K. Agent or the Successor U.K. Swing Line Lender, as applicable, or its representatives to facilitate the transfer of information to the Successor U.K. Agent or the Successor U.K. Swing Line Lender, as applicable, in connection with the Loan Documents.

(d) The parties hereto agree that each of the Successor U.K. Agent and the Successor U.K. Swing Line Lender (i) shall have no responsibility or liability whatsoever for any actions taken or omitted to be taken by the Resigning U.K. Agent or the Resigning U.K. Swing Line



Lender, as applicable, (including any matters relating to payments, computations and accruals) for the period prior to the Second Amendment Effective Date and (ii) shall receive all of the benefits, indemnifications and exculpations provided for in the Loan Documents (including under the provisions of §15, §16 and §18 of the Amended Credit Agreement) that are stated therein to apply to the U.K. Agent or a Swing Line Lender of U.K. Swing Line Loans, as applicable.

(e) If at any time on or after the Second Amendment Effective Date the Resigning U.K. Agent or the Resigning U.K. Swing Line Lender, as applicable, receives any amounts expressly required to be paid to the Successor U.K. Agent or the Successor U.K. Swing Line Lender, as applicable, under the Loan Documents, then the Resigning U.K. Agent or the Resigning U.K. Swing Line Lender, as applicable, shall receive such amounts in trust for the benefit of the Successor U.K. Agent or the Successor U.K. Swing Line Lender, as applicable, and shall promptly (i) notify the Successor U.K. Agent or the Successor U.K. Swing Line Lender, as applicable, of such fact, and (ii) deliver all such amounts to the Successor U.K. Agent or the Successor U.K. Swing Line Lender, as applicable, for application in accordance with the Loan Documents. Notwithstanding anything herein or in any Loan Document to the contrary, on and after the Second Amendment Effective Date, all principal, interest, fees and other amounts payable by the Borrowers to the U.K. Agent or a Swing Line Lender of U.K. Swing Line Loans, as applicable, under the Loan Documents shall be payable to the Successor U.K. Agent or the Successor U.K. Swing Line Lender, as applicable, as and when such amounts become due and payable.

2. Amendments to Existing Credit Agreement.

(a) The Existing Credit Agreement is amended in its entirety to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~ or ~~stricken text~~) and to add the bold and double-underlined text (indicated textually in the same manner as the following example: double-underlined text or double-underlined text), in each case, as set forth on the pages of the Existing Credit Agreement in the form of Annex A attached hereto (the Existing Credit Agreement, as so amended, the "Amended Credit Agreement").

(b) Schedules 1 and 23.1 to the Existing Credit Agreement are amended to read in the forms of Schedules 1 and 23.1 attached hereto.

(c) Exhibits A-6, B-3 and G-2 to the Existing Credit Agreement are amended to read in the forms of A-6, B-3 and G-2 attached hereto. Each other Exhibit to the Credit Agreement is amended to replace each reference to "Lloyds Bank plc" and "LLOYDS BANK PLC" with "Bank of America, N.A., London Branch" and "BANK OF AMERICA, N.A., LONDON BRANCH" respectively.

(d) Except as set forth in Sections 2(b) and 2(c), all schedules and exhibits to the Existing Credit Agreement (as amended prior to the Second Amendment Effective Date) are not modified or otherwise affected hereby.

3. Condition Precedent. This Agreement shall be effective upon satisfaction of the following conditions precedent:

(a) Receipt by the Administrative Agent of counterparts of this Agreement duly executed by the Borrowers, each Bank, the Canadian Agent, the Administrative Agent, the Resigning U.K. Agent, the Successor U.K. Agent, each Issuing Bank, the Domestic Swing Line

Lender, the Resigning U.K. Swing Line Lender, the Successor U.K. Swing Line Lender, and each Exiting Bank.

(b) Payment by the Borrowers of all accrued and unpaid fees and interest on the Domestic Loans and the U.K. Loans under the Existing Credit Agreement as of the Second Amendment Effective Date.

(c) Receipt by each Agent and each Bank of (i) documentation and other information so requested by such Agent or such Bank in connection with applicable “know your customer” and Anti-Money Laundering Laws, and (ii) if any Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to such Borrower to the extent requested by such Agent or such Bank.

(d) Receipt by the Successor U.K. Agent of any fees owing to the Successor U.K. that are required to be paid on or before the Second Amendment Effective Date.

(e) Payment by Ryder of all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel, if so requested by the Administrative Agent) to the extent invoiced prior to or on the Second Amendment Effective Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided, that, such estimate shall not thereafter preclude a final settling of accounts between Ryder and the Administrative Agent).

4. Exiting Banks. After giving effect to this Agreement and all transactions contemplated hereunder, (a) no entity executing this Agreement as an “Exiting Bank” on the signature pages hereto, in its capacity as a Bank under the Existing Credit Agreement (each, an “Exiting Bank”), (i) shall have any rights or duties as a Bank under the Amended Credit Agreement or any other Loan Document (except for rights or duties in respect of expense reimbursement and indemnification provisions in the Amended Credit Agreement with respect to such Exiting Bank which by their express terms would survive termination of the Amended Credit Agreement), (ii) shall have any Loans outstanding under the Amended Credit Agreement, or (ii) shall have any Commitment under the Amended Credit Agreement, and (b) no Borrower shall have any obligations or liabilities to any Exiting Bank other than obligations in respect of indemnity and reimbursement which by their express terms would survive termination of the Existing Credit Agreement.

5. Reallocation of Commitments and Outstanding Loans.

(a) Each Bank party hereto hereby agrees that, subject to the terms and conditions set forth herein and in the Amended Credit Agreement, upon giving effect to this Agreement, (i) its Domestic Commitment (if any) is set forth opposite its name on Schedule 1 attached to this Agreement under the caption “Domestic Commitments” and (ii) its U.K. Commitment (if any) is set forth opposite its name on Schedule 1 attached to this Agreement under the caption “U.K. Commitments”.

(b) On the Second Amendment Effective Date, upon giving effect to this Agreement, (i) each Domestic Bank and each U.K. Bank shall, subject to the terms and conditions of this Agreement and the Amended Credit Agreement, effect such assignments, prepayments, borrowings and reallocations as are necessary to effectuate the modifications contemplated in this Agreement, in each case such that, after giving effect thereto, (A) each Domestic Bank will hold

its respective Domestic Commitment Percentage of the Outstanding Amount of all Domestic Loans in accordance with Schedule 1 attached to this Agreement and (B) each U.K. Bank will hold its respective U.K. Commitment Percentage of the Outstanding Amount of all U.K. Loans in accordance with Schedule 1 attached to this Agreement (in each case, it being understood that some or all of the Domestic Loans and/or the U.K. Loans outstanding under the Existing Credit Agreement immediately prior to the effectiveness of this Agreement may remain outstanding under the Amended Credit Agreement upon the effectiveness of this Agreement in accordance with the foregoing, and upon such effectiveness shall be deemed Domestic Loans and/or U.K. Loans funded on the Second Amendment Effective Date (subject to Section 5(c)) and outstanding under the Amended Credit Agreement) and (ii) the risk participations of the Banks in each outstanding Letter of Credit, each outstanding Domestic Swing Line Loan and each outstanding U.K. Swing Line Loan shall be automatically reallocated in accordance with each Bank's Domestic Commitment Percentage or U.K. Commitment Percentage, as applicable, (as set forth on Schedule 1 attached to this Agreement).

(c) Each Domestic Loan and each U.K. Loan that was outstanding as a LIBOR Rate Loan under the Existing Credit Agreement immediately prior to the effectiveness of this Agreement, and that remains outstanding under the Amended Credit Agreement upon the effectiveness of this Agreement, shall maintain the same Interest Period as was applicable to such LIBOR Rate Loan immediately prior to giving effect to this Agreement and shall be subject to conversion and/or continuation upon expiration of such Interest Period in accordance with the terms of the Amended Credit Agreement. Each Domestic Loan and each U.K. Loan funded on the Second Amendment Effective Date as a LIBOR Rate Loan after giving effect to this Agreement and in connection with the assignments, prepayments, borrowings and reallocations described above in this Section 5 shall have an Interest Period that expires concurrently with the expiration of the Interest Period applicable to the respective Domestic Loans and U.K. Loans that remain outstanding under the Amended Credit Agreement as described in the preceding sentence, and shall be subject to conversion and/or continuation upon expiration of such Interest Periods in accordance with the terms of this Agreement.

(d) Each Bank waives any right to compensation under §6.10 of the Amended Credit Agreement in connection with the transactions described above in this Section 5.

6. Miscellaneous.

(a) The Loan Documents, and the obligations of the Borrowers under the Loan Documents, are hereby ratified and confirmed and shall remain in full force and effect according to their terms. This Agreement is a Loan Document.

(b) Each Borrower (i) acknowledges and consents to all of the terms and conditions of this Agreement, (ii) affirms all of its obligations under the Loan Documents, and (iii) agrees that this Agreement and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Loan Documents.

(c) Each Borrower represents and warrants that:

(i) Such Borrower has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of this Agreement.

(ii) This Agreement has been duly executed and delivered by such Borrower and constitutes a valid and legally obligation of such Borrower, enforceable against such Borrower in accordance with its terms, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other Laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

(iii) The execution, delivery and performance of this Agreement by such Borrower and the consummation by such Borrower of the transactions contemplated hereby do not require any approval or consent of, or filing with, any governmental agency or authority other than those already obtained.

(iv) After giving effect to this Agreement, (A) the representations and warranties of such Borrower contained in the Amended Credit Agreement or any other Loan Document, or which are contained in any document furnished at any time under or in connection therewith, are true and correct in all material respects (and in all respects if any such representation and warranty is already qualified by materiality or reference to Material Adverse Effect) on and as of the Second Amendment Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (and in all respects if any such representation and warranty is already qualified by materiality or reference to Material Adverse Effect) as of such earlier date, and (B) no Default or an Event of Default has occurred and is continuing.

(d) This Agreement may be (i) executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract, and (ii) in the form of an Electronic Record and may be executed using Electronic Signatures (including facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic means (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

(e) If any provision of this Agreement is held to be illegal, invalid or unenforceable, (i) the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby and (ii) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(f) THIS AGREEMENT IS A CONTRACT UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SAID STATE (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW (OTHER THAN THE NEW YORK GENERAL OBLIGATIONS LAW §5-1401 AND §5-1402)).

(g) The terms of §25 and §26 of the Amended Credit Agreement with respect to waiver of jury trial and submission to jurisdiction are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWERS: RYDER SYSTEM, INC.

By: /s/ Braden K. Moll
Name: Braden K. Moll
Title: Senior Assistant Treasurer

RYDER TRUCK RENTAL CANADA LTD.

By: /s/ Braden K. Moll
Name: Braden K. Moll
Title: Senior Assistant Treasurer

RYDER TRUCK RENTAL HOLDINGS CANADA LTD.

By: /s/ Braden K. Moll
Name: Braden K. Moll
Title: Senior Assistant Treasurer

RYDER LIMITED

By: /s/ Braden K. Moll
Name: Braden K. Moll
Title: Senior Assistant Treasurer

RYDER SYSTEM HOLDINGS (UK) LIMITED

By: /s/ Calene F. Candela
Name: Calene F. Candela
Title: Director

RYDER PUERTO RICO, INC.

By: /s/ Braden K. Moll
Name: Braden K. Moll
Title: Senior Assistant Treasurer

ADMINISTRATIVE AGENT: BANK OF AMERICA, N.A.,
as the Administrative Agent

By: /s/ Anthea Del Bianco
Name: Anthea Del Bianco
Title: Vice President

RYDER SYSTEM, INC.
SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

CANADIAN AGENT: ROYAL BANK OF CANADA,
as the Canadian Agent

By: /s/ Yvonne Brazier
Name: Yvonne Brazier
Title: Authorized Signatory

RYDER SYSTEM, INC.
SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

BANKS: BANK OF AMERICA, N.A.,
as a Bank, as a Domestic Swing Line Lender,
and as an Issuing Bank

By: /s/ Jason Yakabu
Name: Jason Yakabu
Title: Vice President

RYDER SYSTEM, INC.
SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

ROYAL BANK OF CANADA,
as a Bank

By: /s/ Scott Umbs
Name: Scott Umbs
Title: Authorized Signatory

RYDER SYSTEM, INC.
SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Bank and as an Issuing Bank

By: /s/ Kevin Valenta
Name: Kevin Valenta
Title: Vice President

RYDER SYSTEM, INC.
SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

U.S. BANK NATIONAL ASSOCIATION,
as a Bank and as an Issuing Bank

By: /s/ Peter I. Bystol
Name: Peter I. Bystol
Title: Senior Vice President

RYDER SYSTEM, INC.
SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

MUFG BANK, LTD.,
as a Bank and as a Domestic Swing Line Lender

By: /s/ John Margetanski
Name: John Margetanski
Title: Director

RYDER SYSTEM, INC.
SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

MIZUHO BANK, LTD.,
as a Bank

By: /s/ Donna DeMagistris
Name: Donna DeMagistris
Title: ExecutiveDirector

RYDER SYSTEM, INC.
SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

BNP PARIBAS,
as a Bank

By: /s/ Nader Tannous
Name: Nader Tannous
Title: Managing Director

By: /s/ Todd Grossnickle
Name: Todd Grossnickle
Title: Director

RYDER SYSTEM, INC.
SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

PNC BANK, NATIONAL ASSOCIATION,
as a Bank

By: /s/ Samreen Fatima
Name: Samreen Fatima
Title: Assistant Vice President

RYDER SYSTEM, INC.
SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

TRUIST BANK,
as a Bank

By: /s/ Jonathan Hart
Name: Jonathan Hart
Title: Vice President

RYDER SYSTEM, INC.
SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

REGIONS BANK,
as a Bank

By: /s/ Maggie Halleland
Name: Maggie Halleland
Title: Director

RYDER SYSTEM, INC.
SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

COMERICA BANK,
as a Bank

By: /s/ Gerald R. Finney, Jr.
Name: Gerald R. Finney, Jr.
Title: Vice President

RYDER SYSTEM, INC.
SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

SUCCESSOR U.K. AGENT: BANK OF AMERICA, N.A., LONDON BRANCH,
as the Successor U.K. Agent

By: /s/ Kevin Day
Name: Kevin Day
Title: Vice President

RYDER SYSTEM, INC.
SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

SUCCESSOR U.K.

SWING LINE LENDER: BANK OF AMERICA, N.A.,
as the Successor U.K. Swing Line Lender

By: /s/ Jason Yakabu
Name: Jason Yakabu
Title: Vice President

RYDER SYSTEM, INC.
SECOND AMENDMENT TO SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

RESIGNING U.K. AGENT:

RESIGNING U.K. SWING LINE

LENDER; AND EXITING BANKS: LLOYDS BANK PLC,
as the Resigning U.K. Agent,
the Resigning U.K. Swing Line Lender,
and an Exiting Bank

By: /s/ John Togher
Name: John Togher
Title: Associate Director

By: /s/ Chris Yianna
Name: Chris Yianna
Title: Associate Director

LLOYDS BANK CORPORATE MARKETS PLC,
as an Exiting Bank

By: /s/ Kamala Basdeo
Name: Kamala Basdeo
Title: Assistant Vice President

By: /s/ Tina Wong
Name: Tina Wong
Title: Assistant Vice President

Annex A

Amended Credit Agreement

[see attached]

BANKS; COMMITMENTS; COMMITMENT PERCENTAGES

Bank	Domestic Commitment	Domestic Commitment Percentage	Canadian Commitment	Canadian Commitment Percentage	U.K. Commitment	U.K. Commitment Percentage
Bank of America, N.A.	\$65,000,000.00	5.72687228%	--	--	\$60,000,000.00	60.000000000%
MUFG Bank, Ltd.	\$140,000,000.00	12.334801762%	--	--	--	--
BNP Paribas	\$140,000,000.00	12.334801762%	--	--	--	--
Mizuho Bank, Ltd.	\$46,000,000.00	4.052863436%	\$54,000,000.00	36.000000000%	\$40,000,000.00	40.000000000%
Royal Bank of Canada	\$44,000,000.00	3.876651982%	\$96,000,000.00	64.000000000%	--	--
U.S. Bank National Association	\$140,000,000.00	12.334801762%	--	--	--	--
Wells Fargo Bank, National Association	\$140,000,000.00	12.334801762%	--	--	--	--
Truist Bank	\$140,000,000.00	12.334801762%	--	--	--	--
PNC Bank, National Association	\$140,000,000.00	12.334801762%	--	--	--	--
Regions Bank	\$80,000,000.00	7.048458150%	--	--	--	--
Comerica Bank	\$60,000,000.00	5.286343612%	--	--	--	--
Total	\$1,135,000,000.00	100.000000000%	\$150,000,000.00	100.000000000%	\$100,000,000.00	100.000000000%

Bank	PR Commitment	PR Commitment Percentage	Total Commitment	Total Commitment Percentage
Bank of America, N.A.	\$15,000,000.00	100.000000000%	\$140,000,000.00	10.000000000%
MUFG Bank, Ltd.	--	--	\$140,000,000.00	10.000000000%
BNP Paribas	--	--	\$140,000,000.00	10.000000000%
Mizuho Bank, Ltd.	--	--	\$140,000,000.00	10.000000000%
Royal Bank of Canada	--	--	\$140,000,000.00	10.000000000%
U.S. Bank National Association	--	--	\$140,000,000.00	10.000000000%
Wells Fargo Bank, National Association	--	--	\$140,000,000.00	10.000000000%
Truist Bank	--	--	\$140,000,000.00	10.000000000%
PNC Bank, National Association	--	--	\$140,000,000.00	10.000000000%
Regions Bank	--	--	\$80,000,000.00	5.714285714%
Comerica Bank	--	--	\$60,000,000.00	4.285714286%
Total	\$15,000,000.00	100.000000000%	\$1,400,000,000.00	100.000000000%

Domestic Swing Line Lender	Domestic Swing Line Commitment	Domestic Swing Line Commitment Percentage
Bank of America, N.A.	\$25,000,000.00	50.000000000%
MUFG Bank, Ltd.	\$25,000,000.00	50.000000000%
Total	\$50,000,000.00	100.000000000%

Issuing Bank	L/C Commitment
Bank of America, N.A.	\$25,000,000.00
U.S. Bank National Association	\$25,000,000.00
Wells Fargo Bank, National Association	\$25,000,000.00

NOTICES, ETC.

Ryder:	Ryder System, Inc. 11690 N.W. 105 th St. Miami, FL 33178 Attn: Treasurer Telephone: 305-500-3408 Fax: 305-500-3641 Email: dsusik@ryder.com Website: www.ryder.com U.S. Tax ID: 59-0739250
Canadian Borrowers:	To the address for Ryder above, with a copy to: 6755 Mississauga Rd. Suite 201 Mississauga, ON L5N 2X7 Attn: General Manager Telephone: 905-826-8777 Fax: 905-826-0079
Ryder PR:	To the address for Ryder above.
U.K. Borrowers:	To the address for Ryder above, with a copy to: Ryder Limited Globe Lane Dukinfield, Cheshire, SK16 4UL United Kingdom Attn: General Manager Telephone: 0161 331 4200 Email: UKCash&Banking@ryder.com

Administrative Agent:	<p><i>For administrative notices regarding borrowings, payments, conversions, continuations, letters of credit, fees, interest and similar notices:</i></p> <p><i>Bank of America, N.A. Credit Services Mail Code: NC1-001-05-46 ONE INDEPENDENCE CENTER 101 N TRYON ST CHARLOTTE NC 28255-0001 Attn: Tiffanie McCall Phone: 980-386-7142 Fax: 704-625-5209 Email: tiffanie.mccall@baml.com</i></p> <p><i>USD PAYMENT INSTRUCTIONS: Bank of America New York NY ABA 026009593 Acct # 1366072250600 Acct Name: Wire Clearing Acct for Syn Loans - LIQ Ref: Ryder</i></p> <p><i>For notices regarding amendments, waivers, financial statements, assignments and all other notices:</i></p> <p><i>Bank of America, N.A. Mail Code: CA5-705-04-09 555 California St. 4th Floor San Francisco, Ca 94104 Attn: Anthea Del Bianco Phone: 415-436-2776 Fax 415-503-5101 Email: anthea.del_bianco@baml.com</i></p>
Canadian Agent and Canadian Swing Line Lender:	<p>Royal Bank of Canada Yvonne Brazier Senior Deal Manager, Agency Services Group 222 Bay Street West, 26th fl, Toronto, ON M5K 1A1 Phone: 416-842-3910 Email: Yvonne.brazier@rbccm.com</p>
U.K. Agent:	<p>Bank of America, N.A., London Branch EMEA Lending Services 26 Elmfield Road, Bromley, Kent. BR1 1LR Phone: +44 208 313 2411 / +44 208 313 2735 Fax: +44 208 313 2149 Email: Emea.7115loansagency@bankofamerica.com</p>

U.K. Swing Line Lender:	Bank of America, N.A., London Branch EMEA Lending Services 26 Elmfield Road, Bromley, Kent. BR1 1LR Phone: +44 208 313 2411 / +44 208 313 2735 Fax: +44 208 313 2149 Email: Emea.7115loansagency@bankofamerica.com
Domestic Swing Line Lenders:	Bank of America, N.A. Credit Services Mail Code: NC1-001-05-46 ONE INDEPENDENCE CENTER 101 N TRYON ST CHARLOTTE NC 28255-0001 Attn: Tiffanie McCall Phone: 980-386-7142 Fax: 704-625-5209 Email: tiffanie.mccall@baml.com USD PAYMENT INSTRUCTIONS: Bank of America New York NY ABA 026009593 Acct # 1366072250600 Acct Name: Wire Clearing Acct for Syn Loans - LIQ Ref: Ryder MUFG Bank, Ltd. Attn: Steven Williams 1251 Avenue of the Americas, 12th Floor New York, NY 10020-1104 Telephone: 201-413-8520 Email: stwilliams@us.mufg.jp

Issuing Banks:

Bank of America, N.A.
Mail Code: PA6-580-02-30
One Fleet Way
Scranton, PA 18507
Phone: 570.496.9619
Fax: 800.755.8740
Email: tradeclientserviceteamus@baml.com

U.S. Bank National Association
Attention: Julie Seaton
U.S. Bancorp Center
BC-MN-H20G
800 Nicollett Mall
Minneapolis, MN 55402-7020
Minneapolis.standby@usbank.com

Wells Fargo Bank, National Association
Attn: Doug Lindstrom
90 S 7th Street, 15th Floor
Minneapolis, MN 55402
MAC N9305-06J
Tel (612) 667-5542
Fax (612) 667-2276
Email: douglas.a.lindstrom@wellsfargo.com

[FORM OF]

U.K. SWING LINE NOTE

_____, 20__

FOR VALUE RECEIVED, the undersigned, **RYDER LIMITED**, a corporation organized under the laws of England and Wales (“Ryder Limited”) and **RYDER SYSTEM HOLDINGS (UK) LIMITED**, a corporation organized under the laws of England and Wales (“RSH” and together with Ryder Limited, the “U.K. Borrowers”), hereby, jointly and severally, absolutely and unconditionally promise to pay to the order of **BANK OF AMERICA, N.A.**, or its registered assigns (the “U.K. Swing Line Lender”), without offset or counterclaim, at its Head Office:

(a) in accordance with the provisions of the Credit Agreement (as hereinafter defined), the then outstanding aggregate unpaid principal amount of U.K. Swing Line Loans made by the U.K. Swing Line Lender to the U.K. Borrowers pursuant to the Second Amended and Restated Global Revolving Credit Agreement, dated as of September 28, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), by and among (i) Ryder System, Inc., a corporation organized under the laws of Florida, the U.K. Borrowers and the other Borrowers party thereto, (ii) the Banks from time to time party thereto, (iii) Bank of America, N.A., as Administrative Agent, a Domestic Swing Line Lender and an Issuing Bank, (iv) Royal Bank of Canada, as Canadian Agent, (v) Bank of America, N.A., London Branch, as U.K. Agent, and (vi) the other Swing Line Lenders and Issuing Banks party thereto; and

interest on the unpaid principal amount of the U.K. Swing Line Loans made by the U.K. Swing Line Lender from time to time outstanding from and including the date hereof to but not including the date on which such principal amount is paid in full, at the times and at the rates provided in the Credit Agreement, subject however to the provisions of §6.12 of the Credit Agreement.

As provided in the Credit Agreement, the U.K. Swing Line Loans evidenced by this U.K. Swing Line Note may be advanced in either U.S. Dollars, Sterling or Euros. Each of the U.K. Borrowers jointly and severally promises to repay each U.K. Swing Line Loan in the currency in which such U.K. Swing Line Loan was advanced.

This U.K. Swing Line Note evidences borrowings under, is subject to the terms and conditions of, and has been issued by the U.K. Borrowers in accordance with, the Credit Agreement and is one of the U.K. Swing Line Notes referred to therein. The U.K. Swing Line Lender and any holder hereof are entitled to the benefits of the Credit Agreement and may enforce the agreements of the U.K. Borrowers contained therein, and any holder hereof may exercise the respective remedies provided for thereby or otherwise available in respect thereof, all in accordance with the respective terms thereof. All capitalized terms used in this U.K. Swing Line Note and not otherwise defined herein shall have the same meanings herein as in the Credit Agreement.

The U.K. Swing Line Lender may endorse, and is hereby irrevocably authorized by the U.K. Borrowers to endorse, on its records and/or on the schedule attached to this U.K. Swing Line Note or a continuation of such schedule attached hereto and made a part hereof, an appropriate notation evidencing advances to the U.K. Borrowers and repayments by the U.K. Borrowers of principal of this U.K. Swing Line Note; provided, that, failure by the U.K. Swing Line Lender to make any such notations or any error

therein shall not affect any of the U.K. Borrowers' obligations or the validity of any repayments made by the U.K. Borrowers in respect of this U.K. Swing Line Note.

The U.K. Borrowers have the right in certain circumstances and the obligation in certain other circumstances to prepay the whole or part of the principal of this U.K. Swing Line Note on the terms and conditions specified in the Credit Agreement.

If any one or more Events of Default shall occur, the entire unpaid principal amount of this U.K. Swing Line Note and all of the unpaid interest accrued thereon may become or be declared due and payable in the manner and with the effect provided in the Credit Agreement.

The U.K. Borrowers and every endorser of this U.K. Swing Line Note or the obligation represented hereby waive presentment, demand, notice, protest, notice of intent to accelerate, notice of acceleration and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this U.K. Swing Line Note and assent to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of collateral and to the addition or release of any other party or person primarily or secondarily liable.

THIS U.K. SWING LINE NOTE IS A CONTRACT UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SAID STATE (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW (OTHER THAN THE NEW YORK GENERAL OBLIGATIONS LAW §5-1401 AND §5-1402)).

[signature pages follow]

IN WITNESS WHEREOF, this U.K. Swing Line Note has been executed as a deed on the day and year first above written.

EITHER

EXECUTED and DELIVERED as a DEED)
by **RYDER LIMITED** acting by)
[two directors] [a director and its secretary])

Director's name

Director's signature

Director's [/Secretary's] name

Director's [/Secretary's] signature

OR

EXECUTED and DELIVERED as a DEED)
by **RYDER LIMITED** acting by)
a director in the presence of)

Director's signature

Director's name

Witness' signature: _____

Witness' name: _____

Witness' address: _____

Witness' occupation: _____

EITHER

EXECUTED and DELIVERED as a DEED)
by **RYDER SYSTEMS HOLDINGS (UK)**)
LIMITED)
acting by [two directors] [a director and its secretary])

Director's name

Director's signature

Director's [/Secretary's] name

Director's [/Secretary's] signature

OR

EXECUTED and DELIVERED as a DEED)
by **RYDER SYSTEMS HOLDINGS (UK)**)
LIMITED)
acting by a director in the presence of)

Director's signature

Director's name

Witness' signature: _____

Witness' name: _____

Witness' address: _____

Witness' occupation: _____

[FORM OF]

U.K. LOAN REQUEST

[Date]

Bank of America, N.A, London Branch, as U.K. Agent

Dear Sir or Madam:

Reference is made to that certain Second Amended and Restated Global Revolving Credit Agreement, dated as of September 28, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used and not defined herein shall have the meanings ascribed thereto in the Credit Agreement) by and among (i) Ryder System, Inc., a corporation organized under the laws of Florida ("Ryder"), Ryder Limited, a corporation organized under the laws of England and Wales ("Ryder Limited") and Ryder System Holdings (UK) Limited, a corporation organized under the laws of England and Wales ("RSH" and together with Ryder Limited, the "U.K. Borrowers"), and the other Borrowers party thereto, (ii) the Banks from time to time party thereto, (iii) Bank of America, N.A., as Administrative Agent, a Domestic Swing Line Lender and an Issuing Bank, (iv) Royal Bank of Canada, as Canadian Agent, (v) Bank of America, N.A, London Branch, as U.K. Agent, and (vi) the other Swing Line Lenders and Issuing Banks party thereto.

In accordance with the provisions of §2.7(c) of the Credit Agreement, notice is hereby given of our intention to borrow a U.K. Loan denominated in [Sterling][Euros][U.S. Dollars], in the principal amount of [£][EU][\$]_____, on _____, 20 (the "Drawdown Date"). Such Loan shall be a [U.K. LIBOR Rate Loan with an Interest Period of _____ months] [EURIBOR Rate Loan with an Interest Period of _____ months].

This notice and the confirmation signatures of the authorized official of Ryder evidenced herewith or produced separately and submitted herewith shall constitute certification of compliance by Ryder Limited, RSH and Ryder as to the matters set forth in §12 of the Credit Agreement. Thank you for your attention to this matter.

[signature pages follow]

Yours sincerely,

RYDER LIMITED

By: _____
Name:
Title:

RYDER SYSTEM HOLDING (UK) LIMITED

By: _____
Name:
Title:

The above notice is hereby confirmed on behalf of Ryder by:

By: _____
Name:
Title:

[FORM OF]

U.K. SWING LINE LOAN REQUEST

[Date]

Bank of America, N.A.,
as U.K. Swing Line Lender

Ladies and Gentlemen:

Reference is made that certain Second Amended and Restated Global Revolving Credit Agreement, dated as of September 28, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used and not defined herein shall have the meanings ascribed thereto in the Credit Agreement) by and among (i) Ryder System, Inc., a corporation organized under the laws of Florida ("Ryder"), Ryder Limited, a corporation organized under the laws of England and Wales ("Ryder Limited") and Ryder System Holdings (UK) Limited, a corporation organized under the laws of England and Wales ("RSH" and together with Ryder Limited, the "U.K. Borrowers"), and the other Borrowers party thereto, (ii) the Banks from time to time party thereto, (iii) Bank of America, N.A., as Administrative Agent, a Domestic Swing Line Lender and an Issuing Bank, (iv) Royal Bank of Canada, as Canadian Agent, (v) Bank of America, N.A., London Branch, as U.K. Agent, and (vi) the other Swing Line Lenders and Issuing Banks party thereto.

In accordance with the provisions of Section 2.13(b) of the Credit Agreement, notice is hereby given of our intention to borrow a U.K. Swing Line Loan denominated in [Sterling][Euros][U.S. Dollars], in the principal amount of [£][EU][\$]_____, on _____, 20__ (the "Drawdown Date"). The Swing Line Loan Maturity Date relating to such Loan shall be _____, 20__.

This notice and the confirmation signatures of the authorized official of Ryder evidenced herewith or produced separately and submitted herewith shall constitute certification of compliance by the U.K. Borrowers and Ryder as to the matters set forth in §12 of the Credit Agreement. Thank you for your attention to this matter.

[signature pages follow]

Yours sincerely,

RYDER LIMITED

By: _____

Name:

Title:

RYDER SYSTEM HOLDINGS (UK) LIMITED

By: _____

Name:

Title:

SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT
dated as of September 28, 2018

by and among

RYDER SYSTEM, INC.,
RYDER TRUCK RENTAL HOLDINGS CANADA LTD.,
RYDER TRUCK RENTAL CANADA LTD.,
RYDER Limited,
RYDER SYSTEM HOLDINGS (UK) LIMITED,

and

RYDER PUERTO RICO, INC.,
as Borrowers,

BANK OF AMERICA, N.A.,
as Administrative Agent, a Domestic Swing Line Lender and an Issuing Bank,

ROYAL BANK OF CANADA,
as Canadian Agent and the Canadian Swing Line Lender,

BANK OF AMERICA, N.A., LONDON BRANCH,
as U.K. Agent,

THE OTHER SWING LINE LENDERS AND ISSUING BANKS PARTY HERETO,

and

THE OTHER BANKS PARTY HERETO

MUFG BANK, Ltd,
as Syndication Agent,

BNP PARIBAS,
Mizuho Bank, LTD.,
ROYAL BANK OF CANADA,
U.S. BANK NATIONAL ASSOCIATION,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Co-Documentation Agents,

BOFA SECURITIES, INC.,
MUFG BANK, Ltd.,
Wells Fargo securities, llc,
Mizuho Bank, LTD.,
rbc cAPITAL MARKETS,
U.S. BANK NATIONAL ASSOCIATION

and

BNP Paribas,
as Joint Lead Arrangers

BOFA SECURITIES, INC.,
as Sole Book Runner

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- Exhibit A-1 Form of Domestic Note
- Exhibit A-2 Form of Canadian Note
- Exhibit A-3 Form of U.K. Note
- Exhibit A-4 Form of PR Note
- Exhibit A-5 Form of Domestic Swing Line Note
- Exhibit A-6 Form of U.K. Swing Line Note
- Exhibit A-7 Form of Canadian Swing Line Note
- Exhibit B-1 Form of Domestic Loan Request
- Exhibit B-2 Form of Canadian Loan Request
- Exhibit B-3 Form of U.K. Loan Request
- Exhibit B-4 Form of PR Loan Request
- Exhibit C Form of Compliance Certificate
- Exhibit D Form of Assignment and Assumption
- Exhibit E Form of Subordination Provisions
- Exhibit F Form of Bankers' Acceptance Notice
- Exhibit G-1 Form of Domestic Swing Line Loan Request
- Exhibit G-2 Form of U.K. Swing Line Loan Request
- Exhibit G-3 Form of Canadian Swing Line Loan Request
- Exhibit H Form of Administrative Questionnaire
- Exhibit I Form of Extension Letter

Schedules

- Schedule 1 Domestic Banks; Domestic Commitments; Domestic Commitment Percentages; Canadian Banks; Canadian Commitments; Canadian Commitment Percentages; U.K. Banks; U.K. Commitments; U.K. Commitment Percentages; PR Banks; PR Commitments; PR Commitment Percentages; Total Commitment Percentages; Domestic Swing Line Commitments; Domestic Swing Line Commitment Percentages; L/C Commitments
- Schedule 4 Existing Letters of Credit
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Annex

- Annex A Power of Attorney Terms – Bankers' Acceptances
-

SECOND AMENDED AND RESTATED GLOBAL REVOLVING CREDIT AGREEMENT

This SECOND Amended and Restated Global REVOLVING CREDIT AGREEMENT is made as of September 28, 2018, by and among (a) RYDER SYSTEM, INC., a corporation organized under the laws of Florida (“Ryder”), RYDER TRUCK RENTAL HOLDINGS CANADA LTD. (“Ryder Holdings Canada”), RYDER TRUCK RENTAL CANADA Ltd. (“Ryder Canada Limited” and together with Ryder Holdings Canada, the “Canadian Borrowers” and each a “Canadian Borrower”), RYDER LIMITED, a corporation organized under the laws of England and Wales (“Ryder Limited”), RYDER SYSTEM HOLDINGS (UK) LIMITED (“RSH” and together with Ryder Limited, the “U.K. Borrowers” and each a “U.K. Borrower”) and RYDER PUERTO RICO, INC. (“Ryder PR”), a corporation organized under the laws of Delaware, (b) the lending institutions identified as Banks herein, (c) Bank of America, N.A. (“Bank of America”), as administrative agent for the Banks (the “Administrative Agent”), a Domestic Swing Line Lender and an Issuing Bank, (d) ROYAL BANK OF CANADA (“RBC”), as Canadian agent for the Banks (the “Canadian Agent”) and as the Canadian Swing Line Lender, (e) BANK OF AMERICA, N.A., LONDON BRANCH (“Bank of America London”), as United Kingdom agent for the Banks (the “U.K. Agent”), and (f) the other Swing Line Lenders and Issuing Banks party hereto.

Ryder has requested that the Banks provide credit facilities for the purposes set forth herein, and the Banks are willing to do so on the terms and conditions set forth herein;

Ryder, certain of its affiliates, certain lending institutions and the Agents (as defined therein) have entered into an Amended and Restated Global Revolving Credit Agreement, dated as of June 8, 2011 (as amended and in effect immediately prior to this Agreement, the “Existing Credit Agreement”);

Ryder has requested that the Agents and the Banks amend and restate the terms and provisions of the Existing Credit Agreement as set forth herein; and

Subject to the terms and conditions set forth herein, the Banks and the Agents party hereto have agreed to amend and restate the Existing Credit Agreement as hereinafter provided.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

§1. DEFINITIONS AND RULES OF INTERPRETATION.

§1.1. Definitions. The following terms shall have the meanings set forth in this §1 or elsewhere in the provisions of this Agreement referred to below:

“Acceptance Fee”: See §3.3.

“Adjusted Consolidated Tangible Assets”: As at any date, Consolidated Tangible Assets after (a) including the consolidated book value of all assets of Ryder and its Consolidated Subsidiaries which are subject to any synthetic lease and (b) excluding the consolidated book value of all assets of Ryder and its Consolidated Subsidiaries that are reflected on the consolidated balance sheet of Ryder and its Consolidated Subsidiaries, prepared in accordance with GAAP, and secure or the subject of any Limited Recourse Facility.

“Adjustment”: See §6.17(a).

“Administrative Agent”: Has the meaning ascribed thereto in the introductory paragraph hereof.

“Administrative Questionnaire”: An Administrative Questionnaire in substantially the form of Exhibit H or any other form approved by the Administrative Agent.

“Affected Bank”: See §6.14.

“Affected Financial Institution”: Any EEA Financial Institution or any U.K. Financial Institution.

“Affiliate or affiliate”: With respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Agent”: Each of the Administrative Agent, the Canadian Agent or the U.K. Agent, as the context may require, and “Agents” means, collectively, the Administrative Agent, the Canadian Agent and the U.K. Agent.

“Agreement”: This Second Amended and Restated Global Revolving Credit Agreement, including the Schedules and Exhibits hereto, as from time to time amended and supplemented in accordance with the terms hereof.

“Anniversary Date”: See §2.19(a).

“Anti-Money Laundering Laws”: Any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules applicable to any Borrower or any Subsidiary of any Borrower related to terrorism financing or money laundering, including any applicable provision of the PATRIOT Act, The Currency and Foreign Transactions Reporting Act (also known as the “Bank Secrecy Act,” 31 U.S.C. §§ 5311-5330 and 12U.S.C. §§ 1818(s), 1820(b) and 1951-1959), and the Money Laundering Control Act of 1986.

“Applicable Acceptance Fee Rate”: The applicable rate per annum with respect to the Acceptance Fee shall be as set forth in the Pricing Table.

“Applicable BA Discount Rate”: (a) With respect to an issue of Bankers’ Acceptances accepted by a Schedule I Bank, the CDOR Rate; (b) with respect to an issue of Bankers’ Acceptances accepted by a Canadian Bank that is a Non-Schedule I Bank, the lesser of: (i) the rate set out in clause (a) above plus ten (10) basis points; and (ii) the annual rate, expressed as a percentage, as being the average discount rate for bankers’ acceptances having a comparable face value and a comparable issue and maturity date to the face value and issue and maturity date of such issue of Bankers’ Acceptances, expressed on the basis of a year of 365 days, quoted by the Canadian Reference Banks that are Non-Schedule I Banks, for the purchase by such Canadian Banks of Bankers’ Acceptances accepted by them, at or about 10:00 a.m. (Toronto time) on the date of issue of such Bankers’ Acceptances.

“Applicable Currency”: Dollars, Sterling or Euros.

“Applicable Facility Fee Rate”: The applicable rate per annum with respect to the Facility Fees relating to the Domestic Commitments, U.K. Commitments, Canadian Commitments and PR Commitments shall be as set forth in the Pricing Table.

“Applicable Foreign Obligor Documents”: See §7A.(a).

“Applicable Margin”: The applicable margin on any Loan shall be as set forth in the Pricing Table.

“Applicable Reference Rate”: For any LIBOR Rate Loan (other than EURIBOR Rate Loans) or any U.K. Overnight LIBOR Rate Loan, LIBOR, and for any EURIBOR Rate Loan, EURIBOR.

“Applicable Screen Rate”: The Applicable Reference Rate quote for an Applicable Currency on the applicable screen page that the applicable Agent designates to determine such Applicable Reference Rate for such Applicable Currency as referenced in the definition of Domestic LIBOR Rate, Canadian LIBOR Rate, Sterling LIBOR Rate, EURIBOR Rate, U.K. Dollar LIBOR Rate or U.K. Overnight LIBOR Rate, as applicable, (or such other commercially available source providing such quotations for such Applicable Currency as may be designated by the applicable Agent from time to time).

“Approved Fund”: Any Fund that is administered or managed by (a) a Bank, (b) an Affiliate of a Bank or (c) an entity or an Affiliate of an entity that administers or manages a Bank.

“Assignment and Assumption”: An Assignment and Assumption substantially in the form of Exhibit D or such other form as may be approved by the applicable Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the applicable Agent).

“Auto-Extension Letter of Credit”: See §4.2(c).

“Availability Period”: The period from and including the Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of the Total Commitment pursuant to §2.3, and (c) the date of termination of the commitment of each Bank to make Loans and of the obligation of the Issuing Bank to make L/C Credit Extensions pursuant to the terms hereof.

“BA Discount Proceeds”: With respect to any Bankers’ Acceptance to be accepted and purchased by a Canadian Bank, an amount (rounded to the nearest whole Canadian cent, and with one-half of one Canadian cent being rounded up) calculated on such day by multiplying (a) the face amount of such Bankers’ Acceptance times (b) the quotient equal to (such quotient being rounded up or down to the nearest fifth decimal place and .000005 being rounded up) (i) one divided by (ii) the sum of (A) one plus (B) the product of (1) the Applicable BA Discount Rate (expressed as a decimal) applicable to such Bankers’ Acceptance times (2) the quotient equal to (aa) the number of days remaining in the term of such Bankers’ Acceptance divided by (bb) 365.

“Bail-In Action”: The exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation”: (a) With respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Balance Sheet Date”: December 31, 2017.

“Bankers’ Acceptance”: A non-interest bearing draft drawn by a Canadian Borrower in Canadian Dollars in the form of either a depository bill subject to the Depository Bills and Notes Act (Canada) or a non-interest bearing bill of exchange, as defined in the Bills of Exchange Act (Canada), in either case

issued by a Canadian Borrower which has been accepted, and, if applicable, purchased by the Canadian Banks at the request of a Canadian Borrower pursuant to §3 hereof.

“Bankers’ Acceptance Notice”: See §3.1.

“Bank of America”: Has the meaning ascribed thereto in the introductory paragraph hereof.

“Bank of America London”: Has the meaning ascribed thereto in the introductory paragraph hereof.

“Banks”: Collectively, the Domestic Banks, the Canadian Banks, the U.K. Banks, the PR Banks and, solely in their role as lenders of the applicable Swing Line Loans, the Domestic Swing Line Lenders, the Canadian Swing Line Lender and the U.K. Swing Line Lender.

“Base Rate Loans”: Loans bearing interest calculated by reference to the Domestic Base Rate, the Canadian Prime Rate or the Canadian Base Rate.

“Beneficial Ownership Certification”: A certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation”: 31 C.F.R. § 1010.230.

“Benefit Plan”: Any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“BHC Act Affiliate”: Of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Blocking Law”: (a) Any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom), (b) section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung*), or (c) any similar blocking or anti-boycott law in the United Kingdom.

“BofA Securities”: BofA Securities, Inc.

“Borrower Materials”: See §8.4.

“Borrower”: Each of Ryder, each Canadian Borrower, each U.K. Borrower and Ryder PR, and “Borrowers” means, collectively, Ryder, the Canadian Borrowers, the U.K. Borrowers and Ryder PR.

“Business Day”: When used in connection with (a)(i) Domestic Loans, a Domestic Business Day; (ii) a LIBOR Rate Loan, a Eurodollar Business Day; (iii) a Canadian Loan or a Bankers’ Acceptance, a Canadian Business Day; (iv) a U.K. Loan, a U.K. Business Day; or (v) a PR Loan, a PR Business Day; and (b) Letters of Credit issued for the account of Ryder and its domestic Subsidiaries, a Domestic Business Day.

“Canadian Agent”: Has the meaning ascribed thereto in the introductory paragraph hereof.

“Canadian Banks”: The banks and financial institutions that shall have agreed to make Canadian Loans to the Canadian Borrowers, as evidenced by such Bank having a positive figure beside its name in the column titled “Canadian Commitment” on Schedule 1 hereto, as such Schedule may be updated from time to time in accordance with §2.1.5, §2.3(f), §2.4 and §21 hereof, each other Person that becomes a “Canadian Bank” in accordance with this Agreement, and their respective successors and assigns, and, in each case, each of which is a bank or other financial institution which is resident in Canada for purposes of the Income Tax Act (Canada) and which is named in Schedule I or Schedule II to the Bank Act (Canada) or deemed resident in Canada for purposes of Part XIII of the Income Tax Act (Canada) in respect of amounts paid or credited under this Agreement and which is named in Schedule III to the Bank Act (Canada).

“Canadian Base Rate”: With respect to a Canadian Loan that is a Canadian Base Rate Loan denominated in U.S. Dollars, the annual rate of interest announced from time to time by the Canadian Agent as its reference rate then in effect for U.S. Dollar denominated commercial loans made by the Canadian Agent in Canada; provided, that, if the Canadian Base Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Canadian Base Rate Loans”: Canadian Loans that bear interest calculated by reference to the Canadian Base Rate (with respect to Canadian Loans denominated in U.S. Dollars) or the Canadian Prime Rate (with respect to Canadian Loans denominated in Canadian Dollars).

“Canadian Borrower” and “Canadian Borrowers”: Each has the meaning ascribed thereto in the introductory paragraph hereof.

“Canadian Business Day”: Any day other than a Saturday, Sunday, or any day on which banking institutions in Toronto, Canada or New York, New York are authorized or required by Laws to be closed and in connection with a Canadian LIBOR Rate Loan, a Eurodollar Business Day.

“Canadian Commitment”: With respect to each Canadian Bank, the amount set forth on Schedule 1 hereto (or in such other document pursuant to which such Canadian Bank becomes a party hereto), as such Schedule may be updated from time to time in accordance with §2.1.5, §2.3(f), §2.4 and §21 hereof, as the amount of such Canadian Bank’s commitment to make Canadian Loans to the Canadian Borrowers, to accept Bankers’ Acceptances for the Canadian Borrowers, and to purchase participations in Canadian Swing Line Loans, as the same may be reduced from time to time; or if such commitment is terminated pursuant to the provisions hereof, zero.

“Canadian Commitment Percentage”: With respect to each Canadian Bank, the percentage set forth on Schedule 1 hereto (or in such other document pursuant to which such Canadian Bank becomes a party hereto), as such Schedule may be updated from time to time in accordance with §2.1.5, §2.3(f), §2.4 and §21 hereof, as such Canadian Bank’s percentage of the Total Canadian Commitment.

“Canadian Dollar Equivalent”: With respect to an amount of U.S. Dollars, Sterling or Euros on any date, the amount of Canadian Dollars that may be purchased with such amount of U.S. Dollars, Euros or Sterling at the Exchange Rate with respect to U.S. Dollars, Euros or Sterling, as applicable, on such date.

“Canadian Dollars or C\$”: Dollars in lawful currency of Canada.

“Canadian Facility Fee”: See §2.2(b).

“Canadian LIBOR Rate”: For any Interest Period with respect to any Canadian LIBOR Rate Loan, the rate per annum determined by the Canadian Agent pursuant to the following formula:

$$\text{Canadian LIBOR Rate} = \frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

Where:

“Eurodollar Base Rate” means, for any such Interest Period, the rate per annum equal to the London Interbank Offered Rate (“LIBOR”), or a comparable or successor rate which rate is approved by the Canadian Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Canadian Agent from time to time) (in such case, the “LIBOR Rate”) at or about 11:00 a.m. (London time), two Eurodollar Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; provided, that, if such rate is not available at such time for any reason, then the “Eurodollar Base Rate” for such Interest Period shall be the rate per annum determined by the Canadian Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Canadian LIBOR Rate Loan being made, continued or converted by RBC and with a term equivalent to such Interest Period would be offered by RBC’s London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two Eurodollar Business Days prior to the commencement of such Interest Period; provided, further, that, if the Eurodollar Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement;

and

“Eurodollar Reserve Percentage” means, for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Bank, under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as “Eurocurrency liabilities”), it being understood that the Canadian LIBOR Rate for each outstanding Canadian LIBOR Rate Loan shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

“Canadian LIBOR Rate Loans”: Canadian Loans denominated in U.S. Dollars that bear interest calculated by reference to the Canadian LIBOR Rate.

“Canadian Loan Request”: See §2.7(b).

“Canadian Loans”: Collectively, Loans made to the Canadian Borrowers by the Canadian Banks pursuant to §2.1.2 hereof and the Canadian Swing Line Loans.

“Canadian Note”: See §2.5(b).

“Canadian Prime Rate”: With respect to a Canadian Loan that is a Canadian Base Rate Loan denominated in Canadian Dollars, the annual rate of interest announced from time to time by the Canadian Agent as its reference rate then in effect for determining interest rates for commercial loans in Canadian Dollars made by the Canadian Agent in Canada; provided, that, if the Canadian Prime Rate as

so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Canadian Reference Banks”: Mizuho and RBC.

“Canadian Swing Line Lender”: RBC (and including its permitted successors in such capacity).

“Canadian Swing Line Loan Request”: See §2.14(b).

“Canadian Swing Line Loans”: See §2.14(a).

“Canadian Swing Line Note”: See §2.14(f).

“Capitalized Leases”: Leases under which Ryder or any of its Consolidated Subsidiaries is the lessee or obligor, the discounted future rental payment obligations under which are required to be capitalized on the balance sheet of the lessee or obligor in accordance with GAAP.

“Cash Collateralize”: To pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Administrative Agent, the Issuing Bank or any Swing Line Lender (as applicable) and the Banks, as collateral for L/C Obligations, Obligations in respect of Swing Line Loans, or obligations of Banks to fund participations in respect of either thereof (as the context may require), cash or deposit account balances or, if the Issuing Bank or any Swing Line Lender benefitting from such collateral shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to (a) the Administrative Agent and (b) the Issuing Bank or such Swing Line Lender (as applicable). “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“CDOR Rate”: On any day, the annual rate of interest determined by the Canadian Agent which is equal to the average of the yield rates per annum (calculated on the basis of a year of 365 days) applicable to Canadian Dollar bankers’ acceptances having, where applicable, identical issue and comparable maturity dates as the Bankers’ Acceptances proposed to be issued by the Canadian Borrowers displayed and identified as such on the “CDOR Page” (or any display substituted therefore) of Reuters Monitor Money Rates Service at approximately 10:00 a.m. (Toronto time) on that day or, if that day is not a Business Day, then on the immediately preceding Business Day (as adjusted by the Canadian Agent after 10:00 a.m. (Toronto time) to reflect any error in a posted rate of interest or in the posted average annual rate of interest); provided, however, (a) if those rates do not appear on that CDOR Page, then the CDOR Rate shall be the discount rate (expressed as a rate per annum on the basis of a year of 365 day) applicable to those Canadian Dollar bankers’ acceptances in a comparable amount to the Bankers’ Acceptances proposed to be issued by the Canadian Borrowers quoted by the Canadian Agent as of 10:00 a.m. (Toronto time) on that day or, if that day is not a Business Day, then on the immediately preceding Business Day and (b) if the CDOR Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement. Each determination of the CDOR Rate by the Canadian Agent shall be conclusive and binding, absent manifest error.

“CDOR Scheduled Unavailability Date”: See §6.18(a).

“CDOR Successor Rate”: See §6.18(a).

“Change in Law”: The occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation

or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“ChoiceLease Charge to Equity”: See the definition of Consolidated Adjusted Net Worth.

“Closing Date”: September 28, 2018.

“Code”: The Internal Revenue Code of 1986, as amended and in effect from time to time.

“Co-Lead Arranger”: Each of (a) BofA Securities, in its capacities as a joint lead arranger and sole book runner, and (b) MUFG, Wells Fargo Securities, LLC, Mizuho, RBC Capital Markets, U.S. Bank and BNP Paribas, in their respective capacities as a joint lead arranger.

“Commitment(s)”: (a) With respect to any Bank, its Domestic Commitment and/or Canadian Commitment and/or U.K. Commitment and/or PR Commitment, (b) with respect to each of the Domestic Swing Line Lenders, its Domestic Swing Line Commitment, and (c) with respect to each of the Issuing Banks, its L/C Commitment.

“Commitment Percentage(s)”: (a) Subject to adjustment as provided in §2.16, with respect to any Bank, its Domestic Commitment Percentage and/or Canadian Commitment Percentage and/or U.K. Commitment Percentage and/or PR Commitment Percentage, and (b) with respect to any Domestic Swing Line Lender, its Domestic Swing Line Commitment Percentage.

“Communication”: See §33.

“Compliance Certificate”: See §8.4(c).

“Consolidated or consolidated”: With reference to any term defined herein, shall mean that term as applied to the accounts of Ryder and its Consolidated Subsidiaries consolidated in accordance with GAAP.

“Consolidated Adjusted Net Worth”: At any date, the total of (a) consolidated shareholders’ equity of Ryder and its Consolidated Subsidiaries, plus (b) any non-cash goodwill impairment charges for the FMS North America reporting unit of Ryder and its Consolidated Subsidiaries which after the First Amendment Effective Date are recorded on the consolidated financial statements of Ryder and its Consolidated Subsidiaries in accordance with GAAP in an aggregate amount not exceed \$244,000,000 during the term of this Agreement, plus (c) that certain \$374,000,000 after-tax charge to shareholders’ equity of Ryder and its Consolidated Subsidiaries resulting from the adoption of FASB ASC 842 which was recorded on the consolidated financial statements of Ryder and its Consolidated Subsidiaries for the fiscal year ended December 31, 2018, in accordance with GAAP (the “ChoiceLease Charge to Equity”), minus (d) an amount equal to (i) \$6,700,000 on the First Amendment Effective Date and (ii) \$6,700,000 per fiscal quarter, commencing with the fiscal quarter ending June 30, 2020 (it being understood that each such \$6,700,000 reduction of shareholders’ equity of Ryder and its Consolidated Subsidiaries pursuant to

this clause (d)(ii) shall occur on the last day of each fiscal quarter), in each case, as amortization of the ChoiceLease Charge to Equity in an aggregate amount not to exceed \$187,000,000 during the term of this Agreement, minus (e) investments in Subsidiaries other than Consolidated Subsidiaries; provided, however, that, Consolidated Adjusted Net Worth shall exclude (i) any accumulated other comprehensive income or loss associated with Ryder and its Consolidated Subsidiaries' pension and other post-retirement plans which is recorded on the consolidated financial statements of Ryder and its Consolidated Subsidiaries in accordance with GAAP, and (ii) any non-cash gains or losses from currency translation adjustments which are recorded in shareholders' equity on the consolidated financial statements of Ryder and its Consolidated Subsidiaries in accordance with GAAP.

"Consolidated Subsidiary": As of any date, any Subsidiary or other entity the accounts of which would be consolidated with those of Ryder in its consolidated financial statements if prepared on such date, in accordance with Generally Accepted Accounting Principles.

"Consolidated Tangible Assets": As at any date, the consolidated assets of Ryder and its Consolidated Subsidiaries which may properly be classified as assets in accordance with GAAP, on a consolidated basis and after eliminating (a) all intercompany items, (b) all Intangible Assets, and (c) all investments in Subsidiaries other than Consolidated Subsidiaries (to the extent such investments are not otherwise eliminated).

"Covered Entity": Any of the following: (a) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (b) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (c) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Covered Party": See §35.

"Current Maturity Date": See §2.19(a).

"Debtor Relief Laws": The Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Deemed Indebtedness Under Limited Recourse Facilities": (a) The Deemed Receivables Indebtedness, (b) the Deemed Securitization Indebtedness and (c) in respect of any other Limited Recourse Facility, an amount equal to the greater of (i) 10% of the principal amount or aggregate payment obligations, as applicable, of such Limited Recourse Facility or (ii) two times the percentage recourse under such Limited Recourse Facility of the principal amount or aggregate payment obligations, as applicable, of such Limited Recourse Facility (as determined in accordance with the definition of "Limited Recourse Facilities").

"Deemed Receivables Indebtedness": In respect of the Receivables Purchase Agreement, so long as there is a purchased receivables balance outstanding under the Receivables Purchase Agreement, Ryder shall be deemed to have incurred Indebtedness in an amount equal to ten percent (10%) of the aggregate face amount of all accounts receivable of Ryder and its Consolidated Subsidiaries which at any given time constitute purchased receivables under the Receivables Purchase Agreements.

"Deemed Securitization Indebtedness": In respect of the Securitization Transactions, Ryder shall be deemed to have incurred Indebtedness in an amount equal to twenty-five percent (25%) of the amount

of Indebtedness of Ryder and its Consolidated Subsidiaries or of any special purpose securitization conduit incurred in connection with the relevant Securitization Transaction (excluding any Indebtedness as to which Ryder or any of its Consolidated Subsidiaries is the holder).

“Default”: Any event, act or condition that constitutes an Event of Default or that, with the giving of notice and/or the passage of time, would constitute an Event of Default.

“Default Right”: Has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Bank”: Subject to §2.16(b), any Bank that, as reasonably determined in good faith by the Administrative Agent and any other applicable Agent, (a) has failed to perform any of its payment or funding obligations hereunder, including in respect of its Loans or participations in respect of Letters of Credit or Swing Line Loans, within three Business Days of the date required to be funded by it or paid by it hereunder, (b) has notified any Borrower, any Agent or any Bank that it does not intend to comply with its funding obligations hereunder or has made a public statement to that effect with respect to its funding obligations hereunder or has defaulted in fulfilling its obligation under other credit agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by the applicable Agent, to confirm in a manner reasonably satisfactory to such Agent that it will comply with its funding obligations, or (d) has, or has a direct or indirect parent company that controls it that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a custodian appointed for it, (iii) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment, or (iv) become the subject of a Bail-In Action; provided that a Bank shall not be a Defaulting Bank solely by virtue of the ownership or acquisition of any equity interest in that Bank or any direct or indirect parent company thereof by a Governmental Authority or instrumentality thereof.

“Derivatives Obligations”: With respect to any Person, all obligations of such Person in respect of any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, total rate of return swap, credit default swap, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions. For purposes of §9.1 and §13.1(f) hereof, the “aggregate amount” of any Derivatives Obligations at any time shall be the maximum amount of any termination or loss payment required to be paid by Ryder and/or its Subsidiaries if such Derivatives Obligations were, at the time of determination hereunder, to be terminated by reason of any event of default or early termination event thereunder, whether or not such event of default or early termination event has in fact occurred.

“Designated Jurisdiction”: Any country or territory to the extent that such country or territory itself is the subject of any Sanction.

“Dollar Equivalent”: At any time (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to an amount of Canadian Dollars, Sterling or Euros on any date, the equivalent amount of U.S. Dollars as reasonably determined by the applicable Agent or the applicable Swing Line Lender, as the case may be, at such time on the basis of the Exchange Rate for the purchase of Dollars with such Canadian Dollars, Sterling or Euros, as applicable on such date.

“Dollars,” “U.S. \$,” “\$” or “U.S. Dollars”: Dollars in lawful currency of the United States.

“Domestic Banks”: The banks and financial institutions that shall have agreed to make Domestic Loans to Ryder, as evidenced by such Bank having a positive figure beside its name in the column titled “Domestic Commitment” on Schedule 1 hereto, as such Schedule may be updated from time to time in accordance with §2.1.5, §2.3(f), §2.4 and §21 hereof, each other Person that becomes a “Domestic Bank” in accordance with this Agreement, and their respective successors and assigns.

“Domestic Base Rate”: For any day, a fluctuating rate per annum equal to the highest of (a) the annual rate of interest announced from time to time by Bank of America as its “prime rate”, (b) one-half of one percent (1/2%) above the Federal Funds Effective Rate and (c) the Domestic LIBOR Rate plus 1.00%; and if the Domestic Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. The “prime rate” is a rate set by Bank of America based upon various factors including Bank of America’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change. If the Domestic Base Rate is being used as an alternate rate of interest pursuant to Section §6.6 or §6.17, then the Domestic Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

“Domestic Base Rate Loans”: Domestic Loans bearing interest calculated by reference to the Domestic Base Rate.

“Domestic Business Day”: Any day other than a Saturday, Sunday, or any day on which commercial banks are authorized to be closed under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Head Office is located and, if such date relates to any LIBOR Rate Loans, as applicable, any such day that is also a Eurodollar Business Day.

“Domestic Commitment”: With respect to each Domestic Bank, the amount set forth on Schedule 1 hereto (or in such other document pursuant to which such Domestic Bank becomes a party hereto), as such Schedule may be updated from time to time in accordance with §2.1.5, §2.3(f), §2.4 and §21 hereof, as the amount of such Domestic Bank’s commitment to make Domestic Loans to Ryder, to purchase participations in L/C Obligations, and to purchase participations in Domestic Swing Line Loans, as the same may be reduced from time to time; or if such commitment is terminated pursuant to the provisions hereof, zero.

“Domestic Commitment Percentage”: With respect to each Domestic Bank, the percentage set forth on Schedule 1 hereto (or in such other document pursuant to which such Domestic Bank becomes a party hereto), as such Schedule may be updated from time to time in accordance with §2.1.5, §2.3(f), §2.4 and §21 hereof, as such Domestic Bank’s percentage of the Total Domestic Commitment.

“Domestic Facility Fee”: See §2.2(a).

“Domestic LIBOR Rate”:

(a) For any Interest Period with respect to a Domestic LIBOR Rate Loan, a rate per annum determined by the Administrative Agent pursuant to the following formula:

$$\text{Domestic LIBOR Rate} = \frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

Where:

“Eurodollar Base Rate” means, for any such Interest Period, the rate per annum equal to the London Interbank Offered Rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for Dollars for a period equal in length to such Interest Period) (“LIBOR”), as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) (in such case, the “LIBOR Rate”) at or about 11:00 a.m. (London time), two Eurodollar Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; provided, that, if the Eurodollar Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement;

and

“Eurodollar Reserve Percentage” means, for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Bank, under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as “Eurocurrency liabilities”), it being understood that the Domestic LIBOR Rate for each outstanding Domestic LIBOR Rate Loan shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

(b) For any interest calculation with respect to a Domestic Base Rate Loan on any date, the rate per annum equal to LIBOR Rate, at approximately 11:00 a.m., London time determined two Eurodollar Business Days prior to such date for Dollar deposits being delivered in the London interbank market for a term of one month commencing that day.

provided, that, if the LIBOR Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“Domestic LIBOR Rate Loans”: Domestic Loans bearing interest calculated by reference to the Domestic LIBOR Rate.

“Domestic Loan Request”: See §2.7(a).

“Domestic Loans”: Collectively, Loans made to Ryder by the Domestic Banks pursuant to §2.1.1 and the Domestic Swing Line Loans.

“Domestic Note”: See §2.5(a).

“Domestic Swing Line Commitment”: With respect to each Domestic Swing Line Lender, the amount set forth on Schedule 1 hereto, as the amount of such Domestic Swing Line Lender’s commitment to make Domestic Swing Line Loans to Ryder, as the same may be reduced from time to time; or if such

commitment is terminated pursuant to the provisions hereof, zero. On the Closing Date, (a) the Domestic Swing Line Commitment of Bank of America is \$25,000,000 and (b) the Domestic Swing Line Commitment of MUFG is \$25,000,000. The Domestic Swing Line Commitment is part of, and not in addition to, the Total Domestic Commitment.

“Domestic Swing Line Commitment Percentage”: With respect to each Domestic Swing Line Lender, the percentage set forth on Schedule 1 hereto, as such Domestic Swing Line Lender’s percentage of the aggregate amount of the Total Domestic Swing Line Commitments.

“Domestic Swing Line Lenders”: Bank of America and MUFG (and including each such Person’s permitted successors in such capacity).

“Domestic Swing Line Loan Request”: See §2.12(b).

“Domestic Swing Line Loans”: See §2.12(a).

“Domestic Swing Line Note”: See §2.12(f).

“Drawdown Date”: The date on which any Loan is made or is to be made.

“EEA Financial Institution”: (a) Any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country”: Any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority”: Any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Electronic Copy”: See §33.

“Electronic Record”: See §33.

“Electronic Signature”: See §33.

“Eligible Assignee”: Any Qualifying Bank that is: (a) a Bank, an affiliate of a Bank or an Approved Fund; (b) a commercial bank, finance company or financial institution organized under the Laws of the United States, or any state thereof or the District of Columbia, and having total assets in excess of \$1,000,000,000; (c) a savings and loan association or savings bank organized under the Laws of the United States, or any state thereof or the District of Columbia, and having a net worth of at least \$1,000,000,000, calculated in accordance with GAAP; (d) a commercial bank or financial institution organized under the Laws of any other country which is a member of the Organization for Economic Cooperation and Development (the “OECD”), or a political subdivision of any such country, and having total assets in excess of \$1,000,000,000 (or the local currency equivalent thereof), provided that such bank is acting through a branch or agency located in the country in which it is organized or another

country which is also a member of the OECD; and (e) the central bank of any country which is a member of the OECD; provided that neither General Electric Capital Corporation nor any Affiliate of General Electric Capital Corporation shall be an “Eligible Assignee” for the purposes of this Agreement.

“Environmental Laws”: Any judgment, decree, order, law, permit, license, rule or regulation pertaining to environmental matters, or any United States, Canadian, United Kingdom or Puerto Rican federal, state, provincial, territorial or local statute, regulation, ordinance, order or decree relating to public health, waste transportation or disposal, or the environment.

“Environmental Liability”: Any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrowers or any guarantor hereunder or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Substances, (c) exposure to any Hazardous Substances, (d) the release or threatened release of any Hazardous Substances into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“ERISA”: The Employee Retirement Income Security Act of 1974, as amended and in effect from time to time.

“ERISA Affiliate”: Any trade or business (whether or not incorporated) under common control with Ryder or any of its Subsidiaries within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“ERISA Event”: (a) A Reportable Event with respect to a Pension Plan; (b) the withdrawal of any Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; or (d) the imposition of any liability under Title IV of ERISA with respect to a Pension Plan, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Borrower or any ERISA Affiliate.

“EU Bail-In Legislation Schedule”: The EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“EURIBOR”: The Euro Interbank Offered Rate.

“EURIBOR Rate”: For any Interest Period with respect to a EURIBOR Rate Loan, the rate of interest equal to EURIBOR, or a comparable or successor rate which rate is approved by the U.K. Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the U.K. Agent from time to time, the “EURIBOR Screen Rate”) at approximately 11:00 a.m. (Central European time) on the date that is two (2) TARGET Settlement Days preceding the first day of such Interest Period; provided, that, until such time as the events or circumstances under §6.17(a)(i), (ii) or (iii) occur with respect to the EURIBOR Rate, (a) if the EURIBOR Screen Rate is not available, “EURIBOR Rate” means the Interpolated Screen Rate, (b) if the EURIBOR Screen Rate and the Interpolated Screen Rate are not available, the annual rate of interest referred to in the first sentence shall be equal to the rate determined by the U.K. Agent to be the offered rate on such other page or other service that displays the percentage rate per annum determined by the

Banking Federation of the European Union for deposits in Euros (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) on the date that is two (2) TARGET Settlement Days preceding the first day of such Interest Period, (c) if the EURIBOR Screen Rate, the Interpolated Screen Rate, and the rate referenced in the preceding clause (b) are not available, the annual rate of interest referred to in the first sentence shall be equal to the Euro Reference Rate, and (d) if the EURIBOR Screen Rate, the Interpolated Screen Rate, the rate referenced in the preceding clause (b) and the Euro Reference Rate are not available, the annual rate of interest referred to in the first sentence shall be equal to the U.K. Cost of Funds Rate. For the purposes of this definition, “TARGET Settlement Day” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open. If EURIBOR (or a comparable or successor rate as herein set forth) shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“EURIBOR Rate Loan”: U.K. Loans denominated in Euros bearing interest calculated by reference to the EURIBOR Rate.

“EURIBOR Screen Rate”: See the definition of “EURIBOR Rate.”

“Euro”: The single lawful currency of the Participating Member States.

“Euro Reference Rate”: The annual rate of interest equal to the sum of (a) the arithmetic mean of the cost of funds offered to the U.K. Reference Banks in the London interbank market for overnight deposits denominated in Euros plus (b) one percent (1%).

“Euro Equivalent”: With respect to an amount of U.S. Dollars, Canadian Dollars or Sterling on any date, the amount of Euros that may be purchased with such amount of U.S. Dollars, Canadian Dollars or Sterling, as applicable, on such date.

“Eurodollar Base Rate”: See the definition of “Domestic LIBOR Rate.”

“Eurodollar Business Day”: Any day on which commercial banks are open for international business (including dealings in Dollar deposits) in London that is also a Domestic Business Day.

“Eurodollar Reserve Percentage”: See the definition of “Domestic LIBOR Rate.”

“Event of Default”: See §13.1.

“Exchange Rate”: For a currency, the rate determined by the applicable Agent or the applicable Swing Line Lender, as applicable, to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made; provided that the applicable Agent or the applicable Swing Line Lender, as applicable, may obtain such spot rate from another financial institution designated by such Agent or such Swing Line Lender if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency.

“Excluded Taxes”: With respect to any Agent, any Bank, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of any Borrower hereunder, (a) taxes imposed on or measured by its overall net income or profits (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under

the Laws of which such recipient is organized or in which its principal office is located or, in the case of any Bank, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which such Borrower is located, (c) any backup withholding tax that is required by the Code to be withheld from amounts payable to a Bank that has failed to comply with clause (A) of §6.2(a)(ii), (d) in the case of a Bank (other than an assignee pursuant to a request by the Borrowers under §6.14), any tax that (i) is required to be imposed on amounts payable to a Bank pursuant to the Laws in force on the Closing Date or (ii) after the Closing Date, is attributable to such Bank's failure (other than as a result of a Change in Law) to comply with clause (B) of §6.2(a)(ii), except to the extent that such Bank (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from such Borrower with respect to such withholding tax pursuant to §19(a)(ii) or (iii) and (e) any U.S. federal withholding Taxes imposed pursuant to FATCA. Notwithstanding anything to the contrary contained in this definition, "Excluded Taxes" shall not include any withholding tax imposed at any time on payments made by or on behalf of a Foreign Obligor to any Bank hereunder or under any other Loan Document, provided that such Bank shall have complied with §6.2(a)(i) to the extent such Bank may lawfully do so.

"Existing Credit Agreement": As defined in the recitals hereto.

"Existing Letters of Credit": Those certain letters of credit set forth on Schedule 4.

"Extending Bank": See §2.19(d).

"Extension Letter": A letter from the Borrowers to the Agents requesting an extension of each Bank's Scheduled Maturity Date, substantially in the form of Exhibit I.

"FATCA": Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471 (b) (1) of the Code.

"Facility Fees": Collectively, the Domestic Facility Fee, the Canadian Facility Fee, the U.K. Facility Fee and the PR Facility Fee.

"Federal Funds Effective Rate": For any day, the rate per annum calculated by the Federal Reserve Bank of New York based on such day's federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; provided, that, if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Fee Letter": That certain fee letter, dated July 6, 2018, by and among Bank of America, Merrill Lynch, Pierce, Fenner & Smith, Incorporated and Ryder.

"First Amendment Effective Date": May 22, 2020.

"Fitch": Fitch Investors Service, Inc. and any successor thereto.

"Foreign Bank": With respect to any Borrower, any Bank that is organized under the Laws of a jurisdiction other than that in which such Borrower is resident for tax purposes (including such a Bank

when acting in the capacity of the Issuing Bank). For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Borrower”: Each Canadian Borrower and each U.K. Borrower.

“Foreign Obligor”: Each Foreign Borrower and any other Foreign Subsidiary that becomes a Borrower or guarantor hereunder.

“Foreign Subsidiary”: Any Subsidiary that is organized under the Laws of a jurisdiction other than the United States, a State thereof or the District of Columbia.

“FRB”: The Board of Governors of the Federal Reserve System of the United States.

“Fronting Exposure”: At any time there is a Defaulting Bank, (a) with respect to the Issuing Bank, such Defaulting Bank’s Domestic Commitment Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Bank’s participation obligation has been reallocated to other Banks or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lenders, such Defaulting Bank’s applicable Commitment Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Bank’s participation obligation has been reallocated to other Banks or Cash Collateralized in accordance with the terms hereof.

“Fund”: Any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“Funding Rate”: With respect to any U.K. Bank, the rate which expresses as a percentage rate per annum the cost to that U.K. Bank of funding its participation in the relevant U.K. Loan from whatever source it may reasonably select.

“Generally Accepted Accounting Principles” or “GAAP”: Generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession) including the FASB Accounting Standards Codification, that are applicable to the circumstances as of the date of determination, consistently applied and subject to §1.3.

“Governmental Authority”: Any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Granting Bank”: See §21.6.

“Guaranteed Obligations”: See §5.1.

“Guaranty”: The guaranty contained in §5 hereof.

“Hazardous Substances”: Any toxic substances, hazardous waste or other material regulated by any Environmental Law.

“Head Office”: When used in connection with (a) the Administrative Agent, the Administrative Agent’s head office located in Charlotte, North Carolina, or at such other location as the Administrative Agent may designate from time to time, (b) the Canadian Agent, the Canadian Agent’s designated office in Toronto, Canada, or at such other location as the Canadian Agent may designate from time to time and (c) the U.K. Agent, the U.K. Agent’s head office located in London, United Kingdom, or at such other location as the U.K. Agent may designate from time to time.

“Honor Date”: See §4.3.

“Immaterial Subsidiary”: As of any date, a Subsidiary of Ryder whose results of operations, considered alone or in the aggregate with other Subsidiaries treated as Immaterial Subsidiaries, do not have a material effect on the business, consolidated financial position or consolidated results of operations of Ryder and its Consolidated Subsidiaries, taken as a whole.

“Indebtedness”: With respect to any Person, at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all obligations of such Person as lessee under Capitalized Leases, (e) all Deemed Indebtedness Under Limited Recourse Facilities of such Person, (f) all obligations of such Person as lessee in respect of synthetic leases and (g) all Indebtedness of others guaranteed by such Person. For the avoidance of doubt, all obligations under Limited Recourse Facilities other than Deemed Indebtedness under Limited Recourse Facilities shall not be Indebtedness for the purposes of this definition.

“Indemnifiable Taxes”: Taxes other than Excluded Taxes.

“Information”: See §29.

“Intangible Assets”: The aggregate amount of the sum of the following (to the extent reflected in determining consolidated shareholders’ equity): (a) all write-ups (other than write-ups resulting from foreign currency transactions and write-ups of assets of a going concern business made within twelve (12) months after the acquisition of such business) subsequent to December 31, 2017 in the book value of any assets owned by Ryder or a Consolidated Subsidiary, (b) all investments in Subsidiaries other than Consolidated Subsidiaries, and (c) all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights, organization or developmental expenses and other intangible assets.

“Intercompany Indebtedness”: Any Indebtedness owed directly between Ryder and a Subsidiary of Ryder or between Subsidiaries of Ryder.

“Interest Payment Date”: With respect to (a) Base Rate Loans, the last Business Day of each calendar quarter, (b) LIBOR Rate Loans with an Interest Period of (i) equal to or less than three (3) months, the last day of such Interest Period or (ii) more than three (3) months, the date that is three (3) months from the first day of such Interest Period, and at three (3) month intervals thereafter and, in addition, the last day of such Interest Period and (c) U.K. Overnight LIBOR Rate Loans, the last day of the Interest Period of that U.K. Overnight LIBOR Rate Loan.

“Interest Period”: With respect to each Loan: (a) initially, the period commencing on the Drawdown Date of such Loan and ending on the last day of one of the periods set forth below, as selected by the applicable Borrower(s) in accordance with this Agreement: for any LIBOR Rate Loan: 1, 2, 3, 6 or,

if agreed to by all Banks, 12 months or less, or in the case of U.K. Loans, one (1) week (in each case, subject to availability); and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Loan and ending on the last day of one of the periods set forth above, as selected by the applicable Borrower(s) in accordance with this Agreement; provided that (i) any Interest Period which would otherwise end on a day which is not a Business Day shall be deemed to end on the next succeeding Business Day, (ii) for any Interest Period for any LIBOR Rate Loan (except, in the case of U.K. Loans having an Interest Period of one (1) week), if such next succeeding Business Day falls in the next succeeding calendar month, such Interest Period shall be deemed to end on the next preceding Business Day, (iii) no Interest Period shall extend beyond the Maturity Date, and (iv) an Interest Period with respect to U.K. Swing Line Loans shall include each period determined under this Agreement by reference to which interest on a U.K. Swing Line Loans is calculated.

“Interpolated Screen Rate”: For any EURIBOR Rate Loan or any U.K. LIBOR Rate Loan denominated in Sterling or U.S. Dollars, the rate (rounded to the same number of decimal places as the two (2) relevant Screen Rates) which results from interpolating on a linear basis between: (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of such Loan; and (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of such Loan, each as of the relevant time on the applicable interest rate determination date for such Loan.

“ISDA Definitions” The 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“ISP”: With respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

“Issuing Bank”: Each of Bank of America, U.S. Bank and Wells Fargo Bank, National Association, each in its capacity as issuer of Letters of Credit for the account of Ryder and its domestic Subsidiaries, or any successor issuer of Letters of Credit for the account of Ryder and its domestic Subsidiaries pursuant to §21.8 hereunder.

“Issuer Documents”: With respect to any Letter of Credit, the Letter of Credit Application for such Letter of Credit and any other document, agreement and instrument entered into by the Issuing Bank and Ryder and/or its domestic Subsidiaries in connection with such Letter of Credit or in favor of the Issuing Bank and relating to any such Letter of Credit.

“Law(s)”: Collectively, all international, foreign, Federal, state, provincial and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority.

“L/C Advance”: With respect to each Bank, such Bank’s funding of its participation in any L/C Borrowing in accordance with its Domestic Commitment Percentage.

“L/C Borrowing”: An extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Base Rate Loan calculated by reference to the Domestic Base Rate and denominated in Dollars.

“L/C Commitment”: As to each Issuing Bank, such Issuing Bank’s obligation to issue Letters of Credit pursuant to §4 in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Issuing Bank’s name on Schedule 1, as such amount may be adjusted from time to time in accordance with this Agreement.

“L/C Credit Extension”: With respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“L/C Obligations”: As at any date of determination, the aggregate undrawn amount of all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“Letter of Credit”: Any letter of credit issued hereunder, including each Existing Letter of Credit. A Letter of Credit may be a commercial letter of credit or a standby letter of credit.

“Letter of Credit Application”: An application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the Issuing Bank.

“Letter of Credit Expiration Date”: The day that is thirty days prior to the Maturity Date (or, if such day is not a Business Day, the next preceding Business Day).

“Letter of Credit Fee”: See §4.9.

“Letter of Credit Sublimit”: An amount equal to the lesser of (a) \$75,000,000, and (b) the Total Domestic Commitment. The Letter of Credit Sublimit is part of, and not in addition to, the Total Domestic Commitment.

“LIBOR”: See the definition of “Domestic LIBOR Rate.”

“LIBOR Rate”: See the definition of “Domestic LIBOR Rate.”

“LIBOR Rate Loans”: Loans bearing interest calculated by reference to the Domestic LIBOR Rate (other than, for the avoidance of doubt, Domestic Base Rate Loans bearing interest by reference to the Domestic LIBOR Rate as provided in the definition of “Domestic Base Rate”), Canadian LIBOR Rate, Sterling LIBOR Rate, EURIBOR Rate, or U.K. Dollar LIBOR Rate, as the case may be.

“LIBOR Screen Rate”: The LIBOR quote on the applicable screen page the applicable Agent designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by such Agent from time to time).

“LIBOR Successor Rate”: See §6.17(a).

“Lien”: Any mortgage, pledge, hypothecation, assignment, security interest, deposit arrangement, encumbrance, lien (statutory or other), charge, or other preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, the interest of a lessor under a Capitalized Lease, and any financing lease having substantially the same economic effect as any of the foregoing).

“Limited Recourse Facilities”: Any (a) Receivables Purchase Agreement, (b) Securitization Transaction or (c) other transaction similar to those set forth in clause (a) and (b) to which Ryder or any of its Consolidated Subsidiaries is a party, under which recourse as a general obligation of Ryder or a Consolidated Subsidiary (other than a special purpose non-operating Subsidiary formed for the purpose of the relevant transaction) is limited to not more than 25% of the aggregate principal amount or aggregate payment obligations, as applicable, under such transaction. Limited recourse as provided for in clause (c) shall be determined by Ryder as set forth in a written notice to the Administrative Agent (together with any appropriate supporting documentation) and shall be reasonably acceptable to the Administrative Agent; provided that if the Administrative Agent does not accept such determination, Ryder and the Administrative Agent shall enter into good faith negotiations in order to determine the amount of the limited recourse with respect to any such transaction and, prior to Ryder and the Administrative Agent making such determination, such transaction shall not be treated as a “Limited Recourse Facility” hereunder.

“Loan Documents”: This Agreement, the Notes, the Bankers’ Acceptances, the Letter of Credit Applications, the Letters of Credit, the Fee Letter, any agreement creating or perfecting rights in Cash Collateral pursuant to this Agreement, including §2.15 herein, and any other document designated as a “Loan Document” by Ryder and the Administrative Agent.

“Loan(s)”: Collectively, the Canadian Loans, the Domestic Loans, the PR Loans and the U.K. Loans.

“Loan Requests”: Collectively, the Canadian Loan Requests, the Domestic Loan Requests, PR Loans Requests and the U.K. Loan Requests.

“Majority Banks”: Collectively, the Banks with greater than 50% of the Total Commitment; provided, that, in the event that the Total Commitment has been terminated, the Majority Banks shall be the Banks holding greater than 50% of the aggregate outstanding principal amount of the Obligations on such date (with the aggregate amount of each Bank’s risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed “held” by such Bank for purposes of this definition); provided, further, that the Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Bank shall be excluded for purposes of making a determination of Majority Banks.

“Maturity Date”: September 28, 2023 (or, if such day is not a Business Day, the next preceding Business Day), as such date may be extended from time to time pursuant to §2.19 (such date, as so extended as it relates to any Bank, being referred to herein as such Bank’s “Scheduled Maturity Date”).

“Mizuho”: Mizuho Bank Ltd.

“Moody’s”: Moody’s Investors Service, Inc. and any successor thereto.

“MUFG”: MUFG Bank, Ltd.

“Multiemployer Plan”: Any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“Multiple Employer Plan”: A Plan which has two or more contributing sponsors (including any Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

“New Lending Office”: See §6.2(b).

“Non-Extending Bank”: See §2.19(b).

“Non-Extension Notice Date”: See §4.2(c).

“Non-Schedule I Bank”: At least one but not more than two Canadian Banks which are Schedule II Banks or Schedule III Banks under the Bank Act (Canada) to be designated by the Canadian Agent and the Canadian Borrowers (with the consent of each such Canadian Bank).

“Notes”: Collectively, the Domestic Notes, the Domestic Swing Line Notes, the U.K. Notes, the U.K. Swing Line Note, the Canadian Notes, the Canadian Swing Line Note and the PR Notes.

“Notice Date”: See §2.19(b).

“Obligations”: All indebtedness, obligations and liabilities of the Borrowers, and any obligations with respect to Letters of Credit issued for the account of Ryder’s domestic Subsidiaries, to any of the Banks, the Agents and the Issuing Bank, individually or collectively, existing on the date of this Agreement or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, in each case, arising or incurred under this Agreement or any of the other Loan Documents or in respect of any of the Loans made or L/C Obligations incurred or Bankers’ Acceptances, Letter of Credit Applications, Letters of Credit, the Notes, or any other instrument at any time evidencing any thereof.

“OECD”: See the definition of “Eligible Assignee.”

“OFAC”: The Office of Foreign Assets Control of the United States Department of the Treasury.

“Other Taxes”: All present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Outstanding Amount”: (a) With respect to Loans on any date, the Dollar Equivalent of the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of such Loans occurring on such date; (b) with respect to Swing Line Loans on any date, the Dollar Equivalent of the aggregate outstanding principal amount thereof after giving effect to any borrowing or prepayments or repayments of such Swing Line Loans occurring on such date; (c) with respect to any L/C Obligations on any date, the aggregate outstanding amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements

by the Borrowers of Unreimbursed Amounts; and (d) with respect to any Bankers' Acceptances on any date, the Dollar Equivalent of the aggregate outstanding amount of such Bankers' Acceptances on such date after giving effect to any issuances or purchases or refunds of such Bankers' Acceptances on such date.

"Overnight Rate": For any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Effective Rate and (ii) an overnight rate determined by the applicable Agent, the Issuing Bank or the applicable Swing Line Lender, as the case may be, in accordance with banking industry rules on interbank compensation, and (b) with respect to any amount denominated in Canadian Dollars, Sterling or Euros, the rate of interest per annum at which overnight deposits in Canadian Dollars, Sterling or Euros, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of the Canadian Agent, the U.K. Agent or the applicable Swing Line Lender, as applicable, in the applicable offshore interbank market for such currency to major banks in such interbank market.

"Participant": See §21.4.

"Participating Member States": Any member state of the European Union that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"PATRIOT Act": See §30.

"PBGC": The Pension Benefit Guaranty Corporation created by §4002 of ERISA and any successor entity or entities having similar responsibilities.

"Pension Act": The Pension Protection Act of 2006, as amended and in effect from time to time.

"Pension Funding Rules": The rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Sections 412, 430 and 436 of the Code and Sections 302, 303 and 307 of ERISA.

"Pension Plan": Any employee pension benefit plan (including a Multiple Employer Plan) that is maintained or is contributed to by any Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code, other than a Multiemployer Plan.

"Permitted Liens": See §9.2.

"Person": Any individual, corporation, partnership, joint venture, limited liability company, trust, unincorporated association, business, or other legal entity, and any government or any governmental agency or political subdivision thereof.

"Plan": Any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of any Borrower or any ERISA Affiliate or any such Plan to which any Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees, other than a Multiemployer Plan.

“Platform”: §8.4.

“PR Banks”: The banks and financial institutions that shall have agreed to make PR Loans to Ryder PR, as evidenced by each such Bank having a positive figure beside its name in the column titled “PR Commitment” on Schedule 1 hereto, as such Schedule may be updated from time to time in accordance with §2.1.5, §2.3(f), §2.4 and §21 hereof, each other Person that becomes a “PR Bank” in accordance with this Agreement, and their respective successors and assigns.

“PR Business Day”: A Domestic Business Day.

“PR Commitment”: With respect to each PR Bank, the amount set forth on Schedule 1 hereto (or in such other document pursuant to which such PR Bank becomes a party hereto), as such Schedule may be updated from time to time in accordance with §2.1.5, §2.3(f), §2.4 and §21 hereof, as the amount of such PR Bank’s Commitment to make PR Loans to Ryder PR, as the same may be reduced from time to time; or if such Commitment is terminated pursuant to the provisions hereof, zero.

“PR Commitment Percentage”: With respect to each PR Bank, the percentage set forth on Schedule 1 hereto (or in such other document pursuant to which such PR Bank becomes a party hereto), as such Schedule may be updated from time to time in accordance with §2.1.5, §2.3(f), §2.4 and §21 hereof, as such PR Bank’s percentage of the Total PR Commitment.

“PR Facility Fee”: See §2.2(d).

“PR Loan Request”: See §2.7(d).

“PR Loans”: Loans made to Ryder PR by the PR Banks pursuant to §2.1.4 hereof.

“PR Note”: See §2.5(d).

“Pre-Adjustment Successor Rate”: See §6.17(a).

“Preferred Stock”: See §9.5.

“Pricing Table”: With respect to Domestic Loans (including Domestic Swing Line Loans), Canadian Loans (including Canadian Swing Line Loans), U.K. Loans (including U.K. Swing Line Loans), PR Loans, Bankers’ Acceptances, Letters of Credit, Letter of Credit Fees, Domestic Commitments, Canadian Commitments, U.K. Commitments and PR Commitments, on each day the Applicable Acceptance Fee Rate, Applicable Facility Fee Rate, and Applicable Margin shall be as set forth in the table below (expressed in basis points per annum) based on the Senior Public Debt Ratings in effect on such day. For purposes of the Pricing Table, the Senior Public Debt Rating at Level I shall be the highest Senior Public Debt Rating and the Senior Public Debt Rating for Level V shall be the lowest Senior Public Debt Rating. If at any time there is a split among Senior Public Debt Ratings of S&P, Fitch and Moody’s such that all three ratings fall in different Levels in the table below, the Applicable Acceptance Fee Rate, Applicable Facility Fee Rate, and Applicable Margin shall be determined by the Senior Public Debt Rating that is neither the highest nor the lowest of the three ratings, and, if at any time there is a split among Senior Public Debt Ratings of S&P, Fitch and Moody’s such that two of such Senior Public Debt Ratings are in one Level in the table below (the “Majority Level”) and the third Senior Public Debt Rating is in a different Level, the Applicable Acceptance Fee Rate, Applicable Facility Fee Rate, and Applicable Margin shall be determined by the rating at the Majority Level. In the event that a Senior Public Debt Rating is not available from any one of S&P, Moody’s or Fitch, the Applicable

Acceptance Fee Rate, Applicable Facility Fee Rate, and Applicable Margin shall be as set forth in the table below based on the Senior Public Debt Ratings of S&P, Moody's and Fitch that are available and in effect on such day; provided that (a) in the event of a one Level split in the Senior Public Debt Rating by S&P, Moody's and Fitch, as the case may be, then the Level for the higher Senior Public Debt Rating shall apply and (b) in the event of a two or more Level split in the Senior Public Debt Rating by S&P, Moody's and Fitch, as the case may be, the Level which is one step above the Level for the lower Senior Public Debt Rating shall apply. In the event that a Senior Public Debt Rating is not available from Fitch and one of S&P or Moody's, the Applicable Acceptance Fee Rate, Applicable Facility Fee Rate, and Applicable Margin shall be as set forth in the table below (expressed in basis points per annum) based on the Senior Public Debt Rating available from S&P or Moody's, as the case may be, in effect on such day. In the event that neither S&P nor Moody's has a Senior Public Debt Rating available, the Applicable Acceptance Fee Rate, the Applicable Facility Fee Rate, and the Applicable Margin shall be as set forth in Level V in the table below. If there is no Senior Public Debt Rating from any of Fitch, S&P or Moody's, Level V in the table below shall apply. Adjustments to the Applicable Acceptance Fee Rate, the Applicable Facility Fee Rate, and the Applicable Margin shall be made on, and shall be effective as of, the day of any adjustment in the Senior Public Debt Rating.

Level	Senior Public Debt Rating	Applicable Facility Fee Rate	Applicable Margin on LIBOR Rate Loans / Letter of Credit Fees / Applicable Acceptance Fee Rate	Applicable Margin on Base Rate Loans	Applicable Margin on Swing Line Loans
I	A / A2 / A or better	7.5	80.0	0	0
II	A- / A3 / A-	9.0	91.0	0	0
III	BBB+ / Baa1 / BBB+	10.0	102.5	2.5	2.5
IV	BBB / Baa2 / BBB	15.0	110.0	10.0	10.0
V	BBB- / Baa3 / BBB- or worse	20.0	117.5	17.5	17.5

“PTE”: A prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Public Bank”: See §8.4.

“QFC”: Has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“QFC Credit Support”: See §35.

“Qualifying Bank”: With respect to: (a) any Domestic Bank and/or PR Bank, a Bank or entity described in clauses (a) through (e) of the definition of Eligible Assignee that is incorporated or organized under the Laws of the United States or a state thereof or the District of Columbia or that has complied with the provisions of §6.2 hereof with respect to such Person's complete exemption from deduction or withholding of United States federal income taxes; (b) any U.K. Bank, a bank (as defined for the purposes

of section 879 of the Income Tax Act 2007) or entity falling within clauses (a) through (e) of the definition of Eligible Assignee and which in either case is within the charge to United Kingdom corporation tax as respects any payment of interest made to it pursuant to the U.K. Loans; and (c) any Canadian Bank, a Bank or entity described in clauses (a) through (e) of the definition of Eligible Assignee that is resident in Canada for purposes of the Income Tax Act (Canada) and which is named in Schedule I or Schedule II to the Bank Act (Canada) or deemed resident in Canada for purposes of Part XIII of the Income Tax Act (Canada) in respect of amounts paid or credited under this Agreement and which is named in Schedule III to the Bank Act (Canada).

“RBC”: Has the meaning ascribed thereto in the introductory paragraph hereof.

“Real Property”: All real property now or hereafter owned, operated, or leased by Ryder or any of its Consolidated Subsidiaries.

“Reallocation”: A transfer by the Borrowers of a portion of the Domestic Commitments, or all or a portion of the Canadian Commitments, or all or a portion of the U.K. Commitments, or all or a portion of the PR Commitments, in each case in accordance with §2.4 hereof.

“Receivables Purchase Agreement”: Collectively, (a) any trade receivables purchase and sale facilities and/or other receivables purchase agreements permitted pursuant to §9.3, including (i) the Trade Receivables Purchase and Sale Agreement, dated October 30, 2009, as amended and supplemented to date, among Ryder Receivable Funding III, L.L.C., Ryder System, Inc., MUFG, New York Branch and Victory Receivables Corporation and (ii) any replacement, amendment or restatement to such facility and (b) any other trade receivables facilities that have been consented to by the Administrative Agent, such consent not to be unreasonably withheld, in either case, whether characterized as sales agreements or security agreements.

“Reference Rate”: Any of the Sterling Reference Rate, the Reference U.K. Dollar Base Rate and/or the Euro Reference Rate.

“Reference U.K. Dollar Base Rate”: The annual rate of interest equal to the sum of (a) the arithmetic mean of the cost of funds offered to the U.K. Reference Banks in the London interbank market for overnight deposits denominated in Dollars plus (b) one percent (1%).

“Refunding Bankers’ Acceptance”: See §3.2.

“Register”: See §21.3.

“Related Adjustment”: In determining any LIBOR Successor Rate, the first relevant available alternative set forth in the order below that can be determined by the applicable Agent applicable to such LIBOR Successor Rate:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, that has been selected or recommended by the Relevant Governmental Body for the relevant Pre-Adjustment Successor Rate (taking into account the interest period, interest payment date or payment period for interest calculated and/or tenor thereto) and which adjustment or method (i) is published on an information service as selected by the applicable Agent from time to time in its reasonable discretion or (ii) solely with respect to Term SOFR, if not currently published, which was previously so recommended for Term SOFR and published on an information service acceptable to the applicable Agent; or

(b) the spread adjustment that would apply (or has previously been applied) to the fallback rate for a derivative transaction referencing the ISDA Definitions (taking into account the interest period, interest payment date or payment period for interest calculated and/or tenor thereto).

“Related Parties”: With respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person’s Affiliates.

“Relevant Governmental Body”: The Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York.

“Replacement Date”: See §6.17(a).

“Reportable Event”: Any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

“Resolution Authority”: An EEA Resolution Authority or, with respect to any U.K. Financial Institution, a U.K. Resolution Authority.

“Responsible Officer”: The chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of a Borrower and, solely for purposes of notices given pursuant to §2, any other officer or employee of the applicable Borrower so designated by any of the foregoing officers in a notice to the Agents or any other officer or employee of the applicable Borrower designated in or pursuant to an agreement between the applicable Borrower and the Agents. Any document delivered hereunder that is signed by a Responsible Officer of a Borrower shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Borrower and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Borrower.

“Revaluation Date”: (a) With respect to any Loan (other than any Swing Line Loan), each of the following: (i) each date of a borrowing of a LIBOR Rate Loan denominated in Canadian Dollars, Sterling or Euros, (ii) each date of a continuation of a LIBOR Rate Loan denominated in Canadian Dollars, Sterling or Euros, and (iii) such additional dates as the applicable Agent shall determine or the Majority Banks shall require; (b) with respect to any Swing Line Loan, each of the following: (i) each date of borrowing of a Swing Line Loan denominated in Canadian Dollars, Sterling or Euros, and (ii) such additional dates as the applicable Swing Line Lender or the Majority Banks shall require; and (c) with respect to any Bankers’ Acceptance, each of the following: (i) each date of an acceptance of a Bankers’ Acceptance denominated in Canadian Dollars, (ii) each date of an amendment of any such Bankers’ Acceptance having the effect of increasing the amount thereof (solely with respect to the increased amount), (iii) each date of any payment by any Canadian Bank under any Bankers’ Acceptance denominated in Canadian Dollars, and (iv) such additional dates as the Canadian Agent shall determine or the Majority Banks shall require.

“Ryder”: Has the meaning ascribed thereto in the introductory paragraph hereof.

“Ryder Canada Limited”: Has the meaning ascribed thereto in the introductory paragraph hereof.

“Ryder Holdings Canada”: Has the meaning ascribed thereto in the introductory paragraph hereof.

“Ryder Limited”: Has the meaning ascribed thereto in the introductory paragraph hereof.

“Ryder PR”: Has the meaning ascribed thereto in the introductory paragraph hereof.

“RSH”: Has the meaning ascribed thereto in the introductory paragraph hereof.

“Same Day Funds”: (a) With respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in Canadian Dollars, Sterling or Euros, same day or other funds as may be reasonably determined by the applicable Agent or the applicable Swing Line Lender, as the case may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in Canadian Dollars, Sterling or Euros.

“Sanction(s)”: Any sanction laws relating to terrorism and anti-money laundering administered or enforced by the United States government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty’s Treasury or the Canadian government.

“Schedule I Bank”: Any bank named on Schedule I to the Bank Act (Canada).

“Scheduled Maturity Date”: See the definition of “Maturity Date.”

“Scheduled Unavailability Date”: See §6.17.

“Screen Rate”: The EURIBOR Screen Rate, the Dollars Screen Rate, the GBP Screen Rate or the Overnight LIBOR Screen Rate, as applicable.

“Second Amendment Effective Date”: December 11, 2020.

“Secured Indebtedness”: (a) Indebtedness and all Derivatives Obligations of any Borrower or any of Ryder’s Consolidated Subsidiaries and all reimbursement obligations with respect to letters of credit, bankers’ acceptances or similar facilities issued for the account of such Person, in each case, secured by a lien or other encumbrance on, or title to, any real or personal property, (b) unsecured Indebtedness and Derivatives Obligations of any of Ryder’s Consolidated Subsidiaries (other than the Canadian Borrowers or the U.K. Borrowers) and unsecured reimbursement obligations with respect to letters of credit, bankers’ acceptances or similar facilities issued for the account of Ryder’s Consolidated Subsidiaries (other than the Canadian Borrowers or the U.K. Borrowers), (c) the aggregate liquidation preference of all Preferred Stock (as defined in §9.5 hereof) issued by Ryder’s Consolidated Subsidiaries which is not owned by Ryder and its Consolidated Subsidiaries, and (d) any Deemed Indebtedness Under Limited Recourse Facilities and all obligations as lessee in respect of synthetic leases, in each case to the extent not otherwise included as Secured Indebtedness pursuant to clauses (a) and (b) above.

“Securitized Assets”: See §9.3(e).

“Securitization Transactions”: Collectively, (a) the securitization transactions permitted pursuant to §9.3 whereby (i) Ryder or an Affiliate of Ryder transfers the beneficial interests in certain of its assets directly or indirectly to a special purpose bankruptcy-remote Subsidiary of Ryder (a “Securitization Subsidiary”) in transfers that include one or more true sales of such beneficial interests, (ii) such Securitization Subsidiary finances (which may or may not be a financing for accounting and tax purposes) the beneficial interests directly with a lender or a purchaser or by issuing new securities backed by the beneficial interests, and (iii) such financing is on a non-recourse basis to Ryder or any of its other Subsidiaries and/or Affiliates (other than with respect to (A) the applicable Securitization Subsidiary, (B) any limited recourse contemplated under this Agreement under any of the Limited Recourse Facilities, or (C) for breaches of standard representations, warranties and covenants and indemnification obligations

that would not have a material adverse effect on the business, assets or financial condition of Ryder and its Subsidiaries); provided that any amendments to such securitization transactions do not materially modify or alter the terms of recourse or levels of recourse under such transaction to levels greater than those permitted by §9.3; and (b) any other securitization transactions that have been consented to by the Administrative Agent, such consent not to be unreasonably withheld.

“Senior Public Debt Ratings”: The rating(s) of Ryder’s public unsecured long-term senior debt, without third party credit enhancement, issued by Fitch, Moody’s and/or S&P; or, in the event no such debt of Ryder is outstanding or if such debt shall be outstanding but shall not be rated by Fitch, S&P or Moody’s, the rating(s) of this credit facility issued by Fitch, Moody’s and/or S&P (or, if Fitch, Moody’s and S&P do not exist, another nationally recognized rating agency approved by the Administrative Agent) upon request of Ryder.

“S&P”: Standard & Poor’s Financial Services LLC, a subsidiary of S&P Global Inc. and any successor thereto.

“SOFR”: With respect to any Business Day, the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York’s website (or any successor source) at approximately 8:00 a.m. (New York City time) on the immediately succeeding Business Day and, in each case, that has been selected or recommended by the Relevant Governmental Body.

“SPC”: See §21.6.

“Sterling” or “£”: Pounds Sterling in lawful currency of the United Kingdom.

“Sterling Reference Rate”: The annual rate of interest equal to the sum of (a) the arithmetic mean of the cost of funds offered to the U.K. Reference Banks in the London interbank market for overnight deposits denominated in Sterling plus (b) one percent (1%).

“Sterling Equivalent”: With respect to an amount of U.S. Dollars, Canadian Dollars, or Euros on any date, the amount of Sterling that may be purchased with such amount of U.S. Dollars, Canadian Dollars, or Euros at the Exchange Rate with respect to U.S. Dollars, Canadian Dollars, or Euros, as applicable, on such date.

“Sterling LIBOR Rate”: For any Interest Period with respect to a U.K. LIBOR Rate Loan denominated in Sterling, the annual rate of interest equal to LIBOR, or a comparable or successor rate which rate is approved by the U.K. Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the U.K. Agent from time to time, the “GBP Screen Rate”) at approximately 11:00 a.m. (London time) on the first Eurodollar Business Day of such Interest Period; provided, that, until such time as the events or circumstances under §6.17(a)(i), (ii) or (iii) occur with respect to the Sterling LIBOR Rate, (a) if the GBP Screen Rate is not available, “Sterling LIBOR Rate” means the Interpolated Screen Rate, (b) if the GBP Screen Rate and the Interpolated Screen Rate are not available, the annual rate of interest referred to in the first sentence shall be equal to the rate determined by the U.K. Agent to be the offered rate on such other page or other service that displays an average ICE Interest Settlement Rate for deposits in Sterling or any successor rate thereto (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) on the first Eurodollar Business Day of such Interest Period, (c) if the GBP Screen Rate, the Interpolated Screen Rate, and the rate referenced in the preceding clause (b) are not available, the annual rate of interest referred to in the first

sentence shall be equal to the Sterling Reference Rate, and (d) if the GBP Screen Rate, the Interpolated Screen Rate, the rate referenced in the preceding clause (b), and the Sterling Reference Rate are not available, the annual rate of interest referred to in the first sentence shall be equal to the U.K. Cost of Funds Rate. If LIBOR (or a comparable or successor rate as herein set forth) shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“Subordinated Indebtedness”: The aggregate (without duplication) of the following:

(a) Indebtedness of Ryder or a Consolidated Subsidiary that is outstanding on the Closing Date and that is subordinated to the Obligations arising hereunder pursuant to an agreement or instrument containing subordination provisions previously approved by the Administrative Agent; and

(b) Indebtedness of Ryder that is incurred after the Closing Date and that (i) is subordinated to the Obligations arising hereunder pursuant to an agreement or instrument treating the Obligations arising hereunder as senior debt and containing subordination provisions no less favorable to the Banks than those set forth in Exhibit E attached hereto or pursuant to subordination provisions treating the Obligations arising hereunder as senior debt and otherwise satisfactory in form and substance to the Majority Banks, and (ii) unless such Indebtedness is Intercompany Indebtedness, has a final maturity not less than six years after the date of incurrence thereof;

provided that, without the prior written consent of the Majority Banks, Ryder shall not suffer or permit subordination provisions of any Subordinated Indebtedness to be changed, amended or modified from those set forth on Exhibit E or otherwise approved by the Majority Banks after such provisions have been adopted.

“Subsidiary”: Any corporation, association, trust, or other business entity of which the designated parent shall at any time own directly or indirectly through a Subsidiary or Subsidiaries at least a majority of the outstanding capital stock or other interest entitled to vote generally.

“Successor Rate”: See §6.17(a).

“Successor Rate Conforming Changes”: With respect to any proposed Successor Rate, any conforming changes to the definition of Domestic Base Rate, Domestic LIBOR Rate, Eurodollar Base Rate, EURIBOR Rate, Sterling LIBOR Rate, U.K. Dollar LIBOR Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definition of Business Day, timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the applicable Agent, to reflect the adoption and implementation of such Successor Rate and to permit the administration thereof by such Agent in a manner substantially consistent with market practice (or, if such Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such Successor Rate exists, in such other manner of administration as the Administrative Agent determines in consultation with Ryder is reasonably necessary in connection with the administration of this Agreement and any other Loan Document)

“Supported QFC”: See §35.

“Swing Line Lender”: Each Domestic Swing Line Lender (in the case of Domestic Swing Line Loans), the Canadian Swing Line Lender (in the case of Canadian Swing Line Loans), and the U.K. Swing Line Lender (in the case of U.K. Swing Line Loans), as the context may require, and “Swing Line Lenders” means collectively, the Domestic Swing Line Lenders (in the case of Domestic Swing Line Loans), the Canadian Swing Line Lender (in the case of Canadian Swing Line Loans), and the U.K. Swing Line Lender (in the case of U.K. Swing Line Loans).

“Swing Line Loan Maturity Date”: With respect to any Swing Line Loan, unless otherwise set forth herein, the proposed maturity date of such Loan, as set forth in the Swing Line Loan Request delivered by a Borrower to the applicable Swing Line Lender and the applicable Agent pursuant to §2.12, §2.13, or §2.14 hereof, which in no event shall be later than the earlier to occur of (a) ten (10) Business Days after the Drawdown Date of such Swing Line Loan and (b) the Maturity Date. Notwithstanding anything to the contrary contained herein, any Swing Line Loan provided under §2.12, §2.13, or §2.14, as the case may be, that causes the Outstanding Amount of any Swing Line Loan to be in excess of \$25,000,000, shall cause such Outstanding Amount to be repaid one (1) Business day after the Drawdown Date of such Swing Line Loan with the proceeds of the Base Rate Loan, EURIBOR Rate Loan or U.K. LIBOR Rate Loan (as applicable) deemed to be requested under such §2.12, §2.13, or §2.14, as the case may be.

“Swing Line Loan Request”: A Domestic Swing Line Loan Request, a Canadian Swing Line Loan Request, or a U.K. Swing Line Loan Request, as the context may require.

“Swing Line Loans”: Collectively, the Domestic Swing Line Loans, the U.K. Swing Line Loans and the Canadian Swing Line Loans.

“Taxes”: All present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term SOFR”: The forward-looking term rate for any period that is approximately (as determined by the Administrative Agent) as long as any of the Interest Period options set forth in the definition of “Interest Period” and that is based on SOFR and that has been selected or recommended by the Relevant Governmental Body, in each case as published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion.

“Total Canadian Commitment”: The sum of the Canadian Commitments of the Canadian Banks, as may be increased or decreased from time to time in accordance with this Agreement. On the Closing Date, the Total Canadian Commitment is \$150,000,000.

“Total Commitment”: The sum of the Total Canadian Commitment, the Total Domestic Commitment, the Total U.K. Commitment and the Total PR Commitment, each as may be increased or decreased from time to time in accordance with this Agreement. On the Closing Date, the Total Commitment is \$1,400,000,000.

“Total Commitment Percentage”: Subject to adjustment as provided in §2.16, with respect to each Bank, the percentage set forth next to such Bank on Schedule 1 hereto, as such Schedule may be updated from time to time in accordance with §2.1.5, §2.3(f), §2.4 and §21 hereof, as such Bank’s percentage of the Total Commitment.

“Total Domestic Commitment”: The sum of the Domestic Commitments of the Domestic Banks, as may be increased or decreased from time to time in accordance with this Agreement. On the Second Amendment Effective Date, the Total Domestic Commitment is \$1,135,000,000.

“Total Domestic Swing Line Commitment”: The sum of the Domestic Swing Line Commitments of the Domestic Swing Line Lenders, as may be increased or decreased from time to time in accordance with this Agreement. On the Closing Date, the Total Domestic Swing Line Commitment is \$50,000,000.

“Total Outstandings”: The Outstanding Amount of all Loans, all Bankers’ Acceptances and all L/C Obligations.

“Total PR Commitment”: The sum of the PR Commitments of the PR Banks, as may be increased or decreased from time to time in accordance with this Agreement. On the Closing Date, the Total PR Commitment is \$15,000,000.

“Total U.K. Commitment”: The sum of the U.K. Commitments of the U.K. Banks, as may be increased or decreased from time to time in accordance with this Agreement. On the Second Amendment Effective Date, the Total U.K. Commitment is \$100,000,000.

“U.K. Agent”: Has the meaning ascribed thereto in the introductory paragraph hereof.

“U.K. Banks”: The banks and financial institutions that shall have agreed to make U.K. Loans to the U.K. Borrowers, as evidenced by such Bank having a positive figure beside its name in the column titled “U.K. Commitment” on Schedule 1 hereto, as such Schedule may be updated from time to time in accordance with §2.1.5, §2.3(f), §2.4 and §21 hereof, each other Person that becomes a “U.K. Bank” in accordance with this Agreement, and their respective successors and assigns.

“U.K. Borrower” and “U.K. Borrowers”: Each has the meaning ascribed thereto in the introductory paragraph hereof.

“U.K. Business Day”: Any day other than a Saturday, Sunday, or any day on which banking institutions in London, England are authorized or required by Law to be closed that is also a Domestic Business Day.

“U.K. Commitment”: With respect to each U.K. Bank, the amount set forth on Schedule 1 hereto (or in such other document pursuant to which such U.K. Bank becomes a party hereto), as such Schedule may be updated from time to time in accordance with §2.1.5, §2.3(f), §2.4 and §21 hereof, as the amount of such U.K. Bank’s commitment to make U.K. Loans to the U.K. Borrowers and to purchase participations in U.K. Swing Line Loans, as the same may be reduced from time to time; or if such commitment is terminated pursuant to the provisions hereof, zero.

“U.K. Commitment Percentage”: With respect to each U.K. Bank, the percentage set forth on Schedule 1 hereto (or in such other document pursuant to which such U.K. Bank becomes a party hereto), as such Schedule may be updated from time to time in accordance with §2.1.5, §2.3(f), §2.4 and §21 hereof, as such U.K. Bank’s percentage of the Total U.K. Commitment.

“U.K. Cost of Funds Rate”: With respect to any U.K. Loan, the rate of interest on each U.K. Bank’s share of the relevant U.K. Loan for the relevant Interest Period being the percentage rate per annum equal to the Funding Rate notified to the U.K. Agent by that U.K. Bank as soon as practicable and

in any event within five (5) Business Days of the first day of that Interest Period (or, if earlier, within five (5) Business Days before the date on which interest is due to be paid in respect of that Interest Period).

“U.K. Dollar LIBOR Rate”: For any Interest Period with respect to a U.K. LIBOR Rate Loan denominated in U.S. Dollars, the annual rate of interest equal to LIBOR, or a comparable or successor rate which rate is approved by the U.K. Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the U.K. Agent from time to time, the “Dollars Screen Rate”) at approximately 11:00 a.m. (London time) two Eurodollar Business Days prior to the first day of such Interest Period; provided, that, until such time as the events or circumstances under §6.17(a)(i), (ii) or (iii) occur with respect to the U.K. Dollar LIBOR Rate, (a) if the Dollars Screen Rate is not available, “U.K. Dollar LIBOR Rate” means the Interpolated Screen Rate, (b) if the Dollars Screen Rate and the Interpolated Screen Rate are not available, the annual rate of interest referred to in the first sentence shall be equal to the rate determined by the U.K. Agent to be the offered rate on such other page or other service that displays an average ICE Interest Settlement Rate for deposits in U.S. Dollars or any successor rate thereto (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two Eurodollar Business Days prior to the first day of such Interest Period, (c) if the Dollars Screen Rate, the Interpolated Screen Rate, and the rate referenced in the preceding clause (b) are not available, the annual rate of interest referred to in the first sentence shall be equal to the Reference U.K. Dollar Base Rate, and (d) if the Dollars Screen Rate, the Interpolated Screen Rate, the rate referenced in the preceding clause (b), and the Reference U.K. Dollar Base Rate are not available, the annual rate of interest referred to in the first sentence shall be equal to the U.K. Cost of Funds Rate. If LIBOR (or a comparable or successor rate as herein set forth) shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“U.K. Facility Fee”: See §2.2(c).

“U.K. Financial Institution”: Any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“U.K. LIBOR Rate Loans”: U.K. Loans bearing interest calculated by reference to the Sterling LIBOR Rate (with respect to U.K. Loans denominated in Sterling) or the U.K. Dollar LIBOR Rate (with respect to U.K. Loans denominated in U.S. Dollars).

“U.K. Loan Request”: See §2.7(c).

“U.K. Loans”: Collectively, Loans made to the U.K. Borrowers by the U.K. Banks pursuant to §2.1.3 hereof and the U.K. Swing Line Loans.

“U.K. Note”: See §2.5(c).

“U.K. Overnight LIBOR Rate”: For any Interest Period with respect to a U.K. Overnight LIBOR Rate Loan denominated in Sterling, U.S. Dollars or Euros (as the case may be), the annual rate of interest equal to LIBOR, or a comparable or successor rate which rate is approved by the U.K. Agent, for Sterling, U.S. Dollars or Euro (as the case may be) and an overnight period, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the U.K. Agent from time to time, the “Overnight LIBOR Screen”

Rate”) at approximately 11:00 a.m. (London time) on the first Eurodollar Business Day of such Interest Period; provided, that, until such time as the events or circumstances under §6.17(a)(i), (ii) or (iii) occur with respect to the U.K. Overnight LIBOR Rate, (a) if the Overnight LIBOR Screen Rate is not available, the annual rate of interest referred to in the first sentence shall be equal to the most recent applicable Overnight LIBOR Screen Rate which is as of a day which is no more than three (3) days before that day, (b) if the Overnight LIBOR Screen Rate and the rate referenced in the preceding clause (a) are not available, the annual rate of interest referred to in the first sentence shall be equal to the rate determined by the U.K. Agent to be the offered rate on such other page or other service that displays an average ICE Interest Settlement Rate for deposits in Sterling, U.S. Dollars or Euro or any successor rate thereto (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) on the first Eurodollar Business Day of such Interest Period, (c) if the Overnight LIBOR Screen Rate, and the rates referenced in the preceding clauses (a) and (b) are not available, the annual rate of interest referred to in the first sentence shall be equal to the Sterling Reference Rate (with respect to U.K. Overnight LIBOR Rate Loans denominated in Sterling), the Reference U.K. Dollar Base Rate (with respect to U.K. Overnight LIBOR Rate Loans denominated in U.S. Dollars) or the Euro Reference Rate (with respect to U.K. Overnight LIBOR Rate Loans denominated in Euros), and (d) if the Overnight LIBOR Screen Rate and the rates referenced in the preceding clauses (a), (b) and (c) are not available, the annual rate of interest referred to in the first sentence shall be equal to the U.K. Cost of Funds Rate.

“U.K. Overnight LIBOR Rate Loans”: U.K. Loans bearing interest calculated by reference to the U.K. Overnight LIBOR Rate for Sterling (with respect to U.K. Loans denominated in Sterling), the U.K. Overnight LIBOR Rate for U.S. Dollars (with respect to U.K. Loans denominated in U.S. Dollars) or the U.K. Overnight LIBOR Rate for Euros (with respect to U.K. Loans denominated in Euros).

“U.K. Reference Banks”: In respect of the Sterling LIBOR Rate, the U.K. Dollar LIBOR Rate or the EURIBOR Rate, the principal London offices of such banks as may be appointed by the U.K. Agent in consultation with Ryder (provided, that, no Bank shall be appointed as a U.K. Reference Bank without their consent).

“U.K. Resolution Authority”: The Bank of England or any other public administrative authority having responsibility for the resolution of any U.K. Financial Institution.

“U.K. Swing Line Lender”: Bank of America, N.A., through itself or through one of its designated Affiliates or branch offices (and including its permitted successors in such capacity).

“U.K. Swing Line Loan Request”: See §2.13(b).

“U.K. Swing Line Loans”: See §2.13(a).

“U.K. Swing Line Note”: See §2.13(f).

“Unreimbursed Amount”: See §4.3(a).

“U.S.” or “United States”: the United States of America.

“U.S. Bank”: U.S. Bank National Association

“U.S. Special Resolution Regimes”: See §35.

“Write-Down and Conversion Powers”: (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any U.K. Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

§1.2. Rules of Interpretation.

(a) A reference to any document or agreement (including this Agreement) shall include such document or agreement as amended, modified or supplemented from time to time in accordance with its terms and the terms of this Agreement.

(b) The singular includes the plural and the plural includes the singular. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

(c) A reference to any law includes any amendment or modification to such law, and all statutory and regulatory rules, regulations, orders and provisions consolidating, amending, replacing or interpreting such law.

(d) Unless the context requires otherwise, any reference herein to any Person shall be construed to include such Person’s permitted successors and permitted assigns.

(e) Accounting terms capitalized but not otherwise defined herein have the meanings assigned to them by Generally Accepted Accounting Principles applied on a consistent basis by the accounting entity to which they refer.

(f) The words “include”, “includes” and “including” are not limiting.

(g) All terms not specifically defined herein or by Generally Accepted Accounting Principles, which terms are defined in the Uniform Commercial Code as in effect in the State of New York, have the meanings assigned to them therein.

(h) Reference to a particular “§” refers to that section of this Agreement unless otherwise indicated.

(i) The words “herein”, “hereof”, “hereunder” and words of like import shall refer to this Agreement as a whole and not to any particular section or subdivision of this Agreement.

(j) The word “will” shall be construed to have the same meaning and effect as the word “shall.”

(k) Unless the context requires otherwise, all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear.

(l) Unless the context requires otherwise, the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(m) Any reference herein to a merger, transfer, consolidation, amalgamation, assignment, sale, or disposition, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale, or disposition, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person).

(n) Any provision of §7.17, §8.16, §9.6 or §9.7 shall not apply to or in favor of any Person if and to the extent that it would result in a breach, by or in respect of that Person, of any applicable Blocking Law.

§1.3. Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the audited financial statements of Ryder for the fiscal year ending December 31, 2019, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, (i) Indebtedness of the Borrowers and their Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 on financial liabilities shall be disregarded and (ii) all liability amounts shall be determined excluding any liability relating to any operating lease, all asset amounts shall be determined excluding any right-of-use assets relating to any operating lease, all amortization amounts shall be determined excluding any amortization of a right-of-use asset relating to any operating lease, and all interest amounts shall be determined excluding any deemed interest comprising a portion of fixed rent payable under any operating lease, in each case to the extent that such liability, asset, amortization or interest pertains to an operating lease under which the covenantor or a member of its consolidated group is the lessee and would not have been accounted for as such under GAAP as in effect on December 31, 2015.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrowers or the Majority Banks shall so request, the Agents, the Banks and the Borrowers shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Majority Banks); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrowers shall provide to the Agents and the Banks financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Consolidation of Variable Interest Entities. All references herein to consolidated financial statements of the Borrowers and their Subsidiaries or to the determination of any amount for the Borrowers and their Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the Borrowers are required to consolidate pursuant to FASB ASC 810 as if such variable interest entity were a Subsidiary as defined herein.

§1.4. Currency Equivalents. Wherever in this Agreement in connection with a borrowing or other extension of credit (including Banker's Acceptances or Swing Line Loans), or the conversion, continuation or prepayment of a Loan, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such borrowing or other extension of credit, or Loan, is denominated in Canadian Dollars, Sterling or Euros (as the case may be), such amount shall be the equivalent amount thereof in Canadian Dollars, Sterling or Euros as determined by the relevant Agent as such time on the basis of the Exchange Rate (determined in respect of the most recent Revaluation Date) for the purchase of such Canadian Dollars, Sterling or Euros (rounded to the nearest unit of such Canadian Dollars, Sterling or Euros, with 0.5 of a unit being rounded upward), as determined by the relevant Agent or the relevant Swing Line Lender, as the case may be.

§1.5. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

§1.6. Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time; provided, further, that with respect to any Letter of Credit where the stated amount decreases, the maximum stated amount of such Letter of Credit shall reflect such decrease solely after giving effect to such decrease.

§2. THE CREDIT FACILITIES.

§2.1. Commitment to Lend.

§2.1.1. Domestic Loans. Subject to the terms and conditions set forth in this Agreement, each of the Domestic Banks severally agrees to lend to Ryder and Ryder may borrow, repay, and reborrow from time to time during the Availability Period, upon notice by Ryder to the Administrative Agent given in accordance with this §2, such sums in Dollars as are equal to such Domestic Bank's Domestic Commitment Percentage of the Domestic Loans requested by Ryder; provided, that, (a) the sum of (i) the Outstanding Amount of the Domestic Loans, plus (ii) the Outstanding Amount of L/C Obligations, shall not, at any time and after giving effect to all amounts requested, exceed the Total Domestic Commitment, (b) the sum of (i) the Outstanding Amount of the Domestic Loans owed to a Domestic Bank, plus (ii) the aggregate amount of such Domestic Bank's participation in L/C Obligations, plus (iii) the aggregate amount of such Domestic Bank's participation in Domestic Swing Line Loans, shall not, at any time and after giving effect to all amounts requested, exceed such Domestic Bank's Domestic Commitment, and (c) the Total Outstandings shall not, at any time and after giving effect to all amounts requested, exceed the Total Commitment.

§2.1.2. Canadian Loans. Subject to the terms and conditions set forth in this Agreement, each of the Canadian Banks severally agrees to lend to the Canadian Borrowers in U.S. Dollars or Canadian Dollars, and the Canadian Borrowers may borrow, repay, and reborrow from time to time in U.S. Dollars or Canadian Dollars during the Availability Period, upon notice by the Canadian Borrowers to the Canadian Agent given in accordance with this §2, such sums in U.S. Dollars or Canadian Dollars as are equal to such Bank's Canadian Commitment Percentage of the Canadian Loans requested by the Canadian Borrowers; provided, that, (a) the sum of (i) the Outstanding Amount of the Canadian Loans denominated in Dollars, plus (ii) the Outstanding Amount of the Canadian Loans denominated in Canadian Dollars, plus (iii) the Outstanding Amount of Bankers' Acceptances, shall not, at any time and after giving effect to all amounts requested, exceed the Total Canadian Commitment, (b) the sum of (i) the Outstanding Amount of the Canadian Loans denominated in Dollars owed to a Canadian Bank, plus (ii) the Outstanding Amount of the Canadian Loans denominated in Canadian Dollars owed to such Canadian Bank, plus (iii) the Outstanding Amount of Bankers' Acceptances purchased by such Canadian Bank, plus (iv) the aggregate amount of such Canadian Bank's participation in Canadian Swing Line Loans, shall not, at any time and after giving effect to all amounts requested, exceed such Canadian Bank's Canadian Commitment, and (c) the Total Outstandings shall not, at any time and after giving effect to all amounts requested, exceed the Total Commitment.

§2.1.3. U.K. Loans. Subject to the terms and conditions set forth in this Agreement, each of the U.K. Banks severally agrees to lend to the U.K. Borrowers in U.S. Dollars, Sterling or Euros, and the U.K. Borrowers may

borrow, repay, and reborrow from time to time in U.S. Dollars, Sterling or Euros during the Availability Period, upon notice by the U.K. Borrowers to the U.K. Agent given in accordance with this §2, such sums in U.S. Dollars, Sterling or Euros as are equal to such Bank's U.K. Commitment Percentage of the U.K. Loans requested by the U.K. Borrowers; provided, that, (a) the sum of (i) the Outstanding Amount of the U.K. Loans denominated in Dollars, plus (ii) the Outstanding Amount of the U.K. Loans denominated in Sterling, plus (iii) the Outstanding Amount of the U.K. Loans denominated in Euros, shall not, at any time and after giving effect to all amounts requested, exceed the Total U.K. Commitment, (b) the sum of (i) the Outstanding Amount of the U.K. Loans denominated in Dollars owed to a U.K. Bank, plus (ii) the Outstanding Amount of the U.K. Loans denominated in Sterling owed to such U.K. Bank, plus (iii) the Outstanding Amount of the U.K. Loans denominated in Euros owed to such U.K. Bank, plus (iv) the aggregate amount of such U.K. Bank's participation in U.K. Swing Line Loans, shall not, at any time and after giving effect to all amounts requested, exceed such U.K. Bank's U.K. Commitment, and (c) the Total Outstandings shall not, at any time and after giving effect to all amounts requested, exceed the Total Commitment.

§2.1.4. PR Loans. Subject to the terms and conditions set forth in this Agreement, each of the PR Banks severally agree to lend to Ryder PR in U.S. Dollars and Ryder PR may borrow, repay, and reborrow from time to time in U.S. Dollars during the Availability Period, upon notice by Ryder PR to the Administrative Agent given in accordance with this §2, such sums in U.S. Dollars as are equal to such PR Bank's PR Commitment Percentage of the PR Loans requested by Ryder PR; provided that (a) the Outstanding Amount of the PR Loans shall not, at any time and after giving effect to all amounts requested, exceed the Total PR Commitment, (b) the Outstanding Amount of the PR Loans owed to a PR Bank shall not, at any time and after giving effect to all amounts requested, exceed such PR Bank's PR Commitment, and (c) the Total Outstandings shall not, at any time and after giving effect to all amounts requested, exceed the Total Commitment.

§2.1.5. Increase in Commitments. The Borrowers may, at any time and from time to time prior to the Maturity Date, upon prior written notice by the Borrowers to the applicable Agent, increase the Total Domestic Commitment, the Total Canadian Commitment, the Total U.K. Commitment and/or the Total PR Commitment (but not the Domestic Swing Line Commitment, the commitment of the Canadian Swing Line Lender to make Canadian Swing Line Loans, the commitment of the U.K. Swing Line Lender to make U.K. Swing Line Loans, or the Letter of Credit Sublimit), by a maximum aggregate amount not to exceed \$200,000,000 for all such increases, with additional Commitments from any Bank or new Commitments from one or more Eligible Assignees selected by the Borrowers and acceptable to the applicable Agent, the applicable Swing Line Lender (as applicable) and the Issuing Bank (as applicable); provided, that:

(a) any such increase shall be in a minimum principal amount of \$10,000,000 and in integral multiples of \$1,000,000 in excess thereof;

(b) no Default or Event of Default shall exist and be continuing at the time of any such increase;

(c) no existing Bank shall be under any obligation to increase any of its Commitments and any such decision whether to increase any of its Commitments shall be in such Bank's sole and absolute discretion;

(d) (i) any new Bank shall join this Agreement by executing such joinder documents as are required by the applicable Agent, and/or (ii) any existing Bank electing to increase its relevant Commitment shall have executed a commitment agreement satisfactory to the applicable Agent;

(e) as a condition precedent to such increase, Ryder shall deliver to the applicable Agent a certificate of the applicable Borrowers dated as of the date of such increase signed duly authorized officers of each such Borrower (i) certifying and attaching the resolutions adopted by such Borrowers approving or consenting to such increase, and (ii) in the case of Ryder, certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in §7.1, §7.2, §7.6(a), §7.9, §7.10, §7.14, §7.17, §7.18 and §7A are true at and as of the time of the effective date of such increase, with the same effect as if made at and as of that time (except to the extent of changes resulting from transactions contemplated or permitted by this Agreement and changes occurring in the ordinary course of business which singly or in the aggregate are not materially adverse to the business, assets or financial condition of Ryder and its Consolidated Subsidiaries, taken as a whole, or to the extent that such representations and warranties relate expressly and solely to an earlier date) and (B) no Default or Event of Default exists or would result in connection with such increase;

(f) Ryder shall deliver to the applicable Agent a certificate demonstrating that, upon giving pro forma effect to such increase (and assuming for such purpose that the entire amount of such increase is fully drawn), Ryder would be in compliance with the ratio set forth in §10.1 as of the most recent fiscal quarter for which Ryder was required to deliver financial statements pursuant to §8.4(a) or (b); and

(g) Schedule 1 shall be deemed revised to include any increase in the applicable Commitments pursuant to this §2.1.5 and to include thereon any Eligible Assignee that becomes a Bank pursuant to this §2.1.5.

The applicable Borrower shall prepay any Loans owing by it and outstanding on the date of any such increase (and pay any additional amounts

required pursuant to §6.10) to the extent necessary to keep the outstanding Loans ratable with any revised Commitments arising from any non-ratable increase in the Commitments under this §2.1.5.

§2.2. Facility Fees.

(a) Ryder agrees to pay to the Administrative Agent, for the pro rata account of each of the Domestic Banks, a fee (the “Domestic Facility Fee”) on the Total Domestic Commitment (whether or not used) equal to the Applicable Facility Fee Rate multiplied by the Total Domestic Commitment (or, if the Total Domestic Commitment has terminated, on the Outstanding Amount of all Domestic Loans, plus the Outstanding Amount of all L/C Obligations). The Domestic Facility Fee shall be payable by Ryder quarterly in arrears on the last Business Day of each calendar quarter for the quarter then ending, commencing with the first such date after the Closing Date and with a final payment on the Maturity Date (or on the date of the termination in full of the Total Domestic Commitment, if earlier).

(b) The Canadian Borrowers jointly and severally agree to pay to the Canadian Agent, for the pro rata account of each of the Canadian Banks, a fee (the “Canadian Facility Fee”) on the Total Canadian Commitment (whether or not used) equal to the Applicable Facility Fee Rate multiplied by the Total Canadian Commitment (or, if the Total Canadian Commitment has terminated, on the Outstanding Amount of all Canadian Loans, plus the Outstanding Amount of all Bankers’ Acceptances). The Canadian Facility Fee shall be payable by the Canadian Borrowers quarterly in arrears on the last Business Day of each calendar quarter for the quarter then ending, commencing with the first such date after the Closing Date and with a final payment on the Maturity Date (or on the date of the termination in full of the Total Canadian Commitment, if earlier).

(c) The U.K. Borrowers jointly and severally agree to pay the U.K. Agent, for the pro rata account of each of the U.K. Banks, a fee (the “U.K. Facility Fee”) on the Total U.K. Commitment (whether or not used) equal to the Applicable Facility Fee Rate multiplied by the Total U.K. Commitment (or, if the Total U.K. Commitment has terminated, on the Outstanding Amount of all U.K. Loans). The U.K. Facility Fee shall be payable by the U.K. Borrowers quarterly in arrears on the last Business Day of each calendar quarter for the quarter then ending, commencing with the first such date after the Closing Date and with a final payment on the Maturity Date (or on the date of the termination in full of the Total U.K. Commitment, if earlier).

(d) Ryder PR agrees to pay the Administrative Agent, for the pro rata account of each of the PR Banks, a fee (the “PR Facility Fee”) on the Total PR Commitment (whether or not used) equal to the Applicable Facility Fee Rate multiplied by the Total PR Commitment (or, if the Total PR Commitment has terminated, on the Outstanding Amount of all PR Loans). The PR Facility Fee shall be payable by Ryder PR quarterly in arrears on the last Business Day of each calendar quarter for the quarter then ending, commencing with the first such date after the Closing Date and with a final payment on

the Maturity Date (or on the date of the termination in full of the Total PR Commitment, if earlier).

§2.3. Reduction of Commitments.

(a) Ryder shall have the right at any time and from time to time, upon three (3) Domestic Business Days prior written notice to the Administrative Agent, to reduce by \$10,000,000 or a larger integral multiple of \$1,000,000 or terminate entirely the Total Domestic Commitment, whereupon each Domestic Bank's Domestic Commitment shall be reduced pro rata in accordance with such Domestic Bank's Domestic Commitment Percentage of the amount specified in such notice or, as the case may be, terminated. Promptly after receiving any notice by Ryder delivered pursuant to this §2.3(a), the Administrative Agent will notify the Domestic Banks and the other Agents thereof. Upon the effective date of any such reduction or termination, Ryder shall pay to the Administrative Agent, for the pro rata accounts of the Domestic Banks, the full amount of the accrued and unpaid Domestic Facility Fee on the amount of such reduction. Notwithstanding the foregoing, at no time may the Total Domestic Commitment be reduced to an amount less than the sum of (i) the Outstanding Amount of all Domestic Loans at such time, plus (ii) the Outstanding Amount of L/C Obligations at such time.

(b) The Canadian Borrowers shall have the right at any time and from time to time, upon three (3) Canadian Business Days prior written notice to the Canadian Agent, to reduce by \$5,000,000 or a larger integral multiple of \$1,000,000 or terminate entirely the Total Canadian Commitment, whereupon each Canadian Bank's Canadian Commitment shall be reduced pro rata in accordance with such Canadian Bank's Canadian Commitment Percentage of the amount specified in such notice or, as the case may be, terminated. Promptly after receiving any notice of the Canadian Borrowers delivered pursuant to this §2.3(b), the Canadian Agent will notify the Canadian Banks and the other Agents thereof. Upon the effective date of any such reduction or termination, the Canadian Borrowers shall pay to the Canadian Agent, for the pro rata accounts of the Canadian Banks, the full amount of the accrued and unpaid Canadian Facility Fee on the amount of such reduction. Notwithstanding the foregoing, at no time may the Total Canadian Commitment be reduced to an amount less than the sum of (i) the Outstanding Amount of Canadian Loans denominated in Dollars at such time, plus (ii) the Outstanding Amount of Canadian Loans denominated in Canadian Dollars at such time, plus (iii) the Outstanding Amount of Bankers' Acceptances at such time.

(c) The U.K. Borrowers shall have the right at any time and from time to time, upon three (3) U.K. Business Days prior written notice to the U.K. Agent, to reduce by \$5,000,000 or a larger integral multiple of \$1,000,000 or terminate entirely the Total U.K. Commitment, whereupon each U.K. Bank's U.K. Commitment shall be reduced pro rata in accordance with such U.K. Bank's U.K. Commitment Percentage of the amount specified in such notice or, as the case may be, terminated. Promptly after receiving any notice of the U.K. Borrowers delivered pursuant to this §2.3(c), the U.K. Agent will notify the U.K. Banks and the other Agents thereof. Upon the effective date of any such

reduction or termination, the U.K. Borrowers shall pay to the U.K. Agent, for the pro rata accounts of the U.K. Banks, the full amount of the accrued and unpaid U.K. Facility Fee on the amount of such reduction. Notwithstanding the foregoing, at no time may the Total U.K. Commitment be reduced to an amount less than the sum of (i) the Outstanding Amount of all U.K. Loans denominated in Dollars at such time, plus (ii) the Outstanding Amount of all U.K. Loans denominated in Sterling at such time, plus (iii) the Outstanding Amount of all U.K. Loans denominated in Euros at such time.

(d) Ryder PR shall have the right at any time and from time to time, upon three (3) Domestic Business Days prior written notice to the Administrative Agent to reduce by \$1,000,000 or a larger integral multiple of \$1,000,000 or terminate entirely the Total PR Commitment, whereupon each PR Bank's PR Commitment shall be reduced pro rata in accordance with such PR Bank's PR Commitment Percentage of the amount specified in such notice or, as the case may be, terminated. Promptly after receiving any notice of Ryder PR delivered pursuant to this §2.3(d), the Administrative Agent will notify the PR Banks and the other Agents thereof. Upon the effective date of any such reduction or termination, Ryder PR shall pay to the Administrative Agent, for the pro rata accounts of the PR Banks, the full amount of the accrued and unpaid PR Facility Fee on the amount of such reduction. Notwithstanding the foregoing, at no time may the Total PR Commitment be reduced to an amount less than the Outstanding Amount of all PR Loans at such time.

(e) Excluding any Reallocation pursuant to §2.4 hereof, no reduction or termination of the Total Domestic Commitment, the Total Canadian Commitment, the Total U.K. Commitment or the Total PR Commitment once made may be revoked; the portion of the Total Domestic Commitment, the Total Canadian Commitment, the Total U.K. Commitment or the Total PR Commitment reduced or terminated may not be reinstated; and amounts in respect of such reduced or terminated portion may not be reborrowed.

(f) Promptly after the effectiveness of any partial reduction in the Commitments pursuant to this §2.3, the applicable Agent shall distribute to each Bank and each other Agent an updated Schedule 1 hereto reflecting such reduction, and the Borrowers hereby authorize such amendment to Schedule 1.

§2.4. Reallocation of Commitments.

(a) Subject to the conditions set forth in this §2.4, the Borrowers shall have the right at any time and from time to time upon five (5) Business Days prior written notice to each of the Agents to (i) increase the Total Domestic Commitment by reducing and reallocating by an equivalent amount all or a portion of the Total Canadian Commitment and/or the Total U.K. Commitment and/or the Total PR Commitment to the Total Domestic Commitment, (ii) increase the Total Canadian Commitment (to the extent the same has been previously reallocated to the Total Domestic Commitment or the Total U.K. Commitment or the Total PR Commitment) by reducing and reallocating by an equivalent amount a portion of the Total Domestic Commitment and/or the Total U.K.

Commitment and/or Total PR Commitment to the Total Canadian Commitment, (iii) increase the Total U.K. Commitment (to the extent the same has been previously reallocated to the Total Domestic Commitment or the Total Canadian Commitment or the Total PR Commitment) by reducing and reallocating by an equivalent amount a portion of the Total Domestic Commitment and/or all or a portion of the Total Canadian Commitment and/or Total PR Commitment to the Total U.K. Commitment or (iv) increase the Total PR Commitment (to the extent the same has been previously reallocated to the Total Domestic Commitment or the Total Canadian Commitment or the Total U.K. Commitment) by reducing or reallocating by an equivalent amount a portion of the Total Domestic Commitment and/or Total Canadian Commitment and/or Total U.K. Commitment to the Total PR Commitment.

(b) Any Reallocation pursuant to §2.4 shall be subject to the following conditions:

(i) Each Reallocation of Commitment amounts shall be made only between the offices or affiliates of a Bank such that the sum of all the Commitments of each Bank and its affiliates shall not be increased or decreased as a result of any Reallocation.

(ii) Each increase in the Total Domestic Commitment, Total Canadian Commitment, Total U.K. Commitment or Total PR Commitment, as the case may be, shall be offset by a corresponding and equivalent reduction in one or more of the Total Domestic Commitment, Total Canadian Commitment, Total U.K. Commitment and Total PR Commitment, such that the Total Commitment in effect immediately before a Reallocation shall be equal to the Total Commitment immediately after, and after giving effect to, such Reallocation.

(iii) No Reallocation shall increase (A) the Total Canadian Commitment in excess of \$150,000,000, (B) the Total U.K. Commitment in excess of \$100,000,000 or (C) the Total PR Commitment in excess of \$15,000,000.

(iv) No Reallocation shall result in (A) any Domestic Bank having a positive Canadian Commitment, U.K. Commitment or PR Commitment if such Domestic Bank, or its affiliate, did not have such positive Canadian Commitment, U.K. Commitment or PR Commitment on the Second Amendment Effective Date or acquire such Commitment by assignment after the Second Amendment Effective Date, or (B) any U.K. Bank having a positive Canadian Commitment or PR Commitment if such U.K. Bank, or its affiliate, did not have such positive Canadian Commitment or PR Commitment on the Second Amendment Effective Date or acquire such Commitment by assignment after the Second Amendment Effective Date, or (C) any Canadian Bank having a positive U.K. Commitment or PR Commitment if such Canadian Bank, or its affiliate, did not have such positive U.K. Commitment or PR Commitment on the Second Amendment Effective Date or acquire such Commitment by assignment after the Second Amendment Effective Date, or (D) any PR Bank having a positive U.K. Commitment or Canadian Commitment if such PR Bank, or its affiliate, did not have such positive U.K. Commitment or Canadian Commitment on the Second Amendment Effective Date or acquire such Commitment by assignment after the Second Amendment Effective Date.

(v) Subject to §2.4(b)(iv), each Reallocation shall be made pro rata among the Banks whose Commitments are being reallocated from one type of Commitment to another, but shall not cause the Commitments of any other Banks to change (but will result in a change in Commitment Percentages).

(vi) Subject to §6.16, in no event shall (A) the Total Domestic Commitment be reduced to an amount less than the sum of (1) the Outstanding Amount of all Domestic Loans, plus (2) the Outstanding Amount of L/C Obligations; (B) the Total Canadian Commitment be reduced to an amount less than the sum of (1) the Outstanding Amount of Canadian Loans denominated in Dollars, plus (2) the Outstanding Amount of Canadian Loans denominated in Canadian Dollars, plus (3) the Outstanding Amount of Bankers' Acceptances; (C) the Total U.K. Commitment be reduced to an amount less than the sum of (1) the Outstanding Amount of all U.K. Loans denominated in Dollars, plus (2) the Outstanding Amount of all U.K. Loans denominated in Sterling, plus (3) the Outstanding Amount of all U.K. Loans denominated in Euros; or (D) the Total PR Commitment be reduced to an amount less than the Outstanding Amount of all PR Loans.

(c) The Administrative Agent shall (i) notify each of the Banks promptly after receiving any notice of a Reallocation delivered by the Borrowers pursuant to this §2.4 and (ii) promptly upon the effectiveness of any such Reallocation, distribute to each Bank an updated Schedule 1 hereto, reflecting the changes in the respective Commitments of the Banks, and the Borrowers hereby authorize such amendment to Schedule 1.

§2.5. The Notes and Loan Accounts.

(a) The Domestic Loans (other than the Domestic Swing Line Loans) may be evidenced by separate promissory notes of Ryder in substantially the form of Exhibit A-1 hereto (each, a "Domestic Note"), dated as of the Closing Date and completed with appropriate insertions. Upon the request of any Domestic Bank to Ryder made through the Administrative Agent, Ryder shall execute and deliver to such Bank (through the Administrative Agent) a Domestic Note, which shall evidence such Bank's Domestic Loans (other than Domestic Swing Line Loans) to Ryder in addition to such accounts or records referred to in §2.5(f). One such Domestic Note shall be payable to each Domestic Bank requesting such a Note in an amount equal to its Domestic Commitment (plus, if such Bank has a Canadian Commitment, a U.K. Commitment and/or a PR Commitment, the amount of such other Commitment(s)), and shall represent the obligation of Ryder to pay such Domestic Bank such principal amount or, if less, the outstanding principal amount of all Domestic Loans (other than Domestic Swing Line Loans) made by such Domestic Bank, plus interest accrued thereon, as set forth herein.

(b) The Canadian Loans (other than the Canadian Swing Line Loans) may be evidenced by separate promissory notes of the Canadian Borrowers in substantially the form of Exhibit A-2 hereto (each, a "Canadian Note"), dated as of the Closing Date and completed with appropriate insertions. Upon the request of any Canadian Bank to the Canadian Borrowers made through the Canadian Agent, the Canadian Borrowers shall execute and deliver to such Bank (through the Canadian Agent) a Canadian Note, which shall evidence such Bank's Canadian Loans (other than Canadian Swing Line Loans) to

the Canadian Borrowers in addition to such accounts or records referred to in §2.5(f). One such Canadian Note shall be payable to each Canadian Bank requesting such Note in an amount equal to its Canadian Commitment, and shall represent the joint and several obligation of the Canadian Borrowers to pay such Canadian Bank such principal amount or, if less, the outstanding principal amount of all Canadian Loans (other than Canadian Swing Line Loans) made by such Canadian Bank, plus interest accrued thereon, as set forth herein.

(c) The U.K. Loans (other than the U.K. Swing Line Loans) may be evidenced by separate promissory notes of the U.K. Borrowers in substantially the form of Exhibit A-3 hereto (each, a “U.K. Note”), dated as of the Closing Date and completed with appropriate insertions. Upon the request of any U.K. Bank to the U.K. Borrowers made through the U.K. Agent, the U.K. Borrowers shall execute and deliver to such Bank (through the U.K. Agent) a U.K. Note, which shall evidence such Bank’s U.K. Loans (other than U.K. Swing Line Loans) to the U.K. Borrowers in addition to such accounts or records referred to in §2.5(f). One such U.K. Note shall be payable to each U.K. Bank requesting such a Note in an amount equal to its U.K. Commitment, and shall represent the joint and several obligation of the U.K. Borrowers to pay such U.K. Bank such principal amount or, if less, the outstanding principal amount of all U.K. Loans (other than U.K. Swing Line Loans) made by such U.K. Bank, plus interest accrued thereon, as set forth herein.

(d) The PR Loans may be evidenced by separate promissory notes of Ryder PR in substantially the form of Exhibit A-4 hereto (each, a “PR Note”), dated as of the Closing Date and completed with appropriate insertions. Upon the request of any PR Bank to Ryder PR made through the Administrative Agent, Ryder PR shall execute and deliver to such Bank (through the Administrative Agent) a PR Note, which shall evidence such Bank’s PR Loans to Ryder PR in addition to such accounts or records referred to in §2.5(f). One such PR Note shall be payable to each PR Bank requesting such a Note in an amount equal to its PR Commitment, and shall represent the obligation of Ryder PR to pay such PR Bank such principal amount or, if less, the outstanding principal amount of all PR Loans made by such PR Bank, plus interest accrued thereon, as set forth herein.

(e) Each Borrower irrevocably authorizes each Bank to make, or cause to be made, in connection with a Drawdown Date of any Loan and at the time of receipt of any payment of principal on any Note, an appropriate notation on such Bank’s records or on the schedule attached to such Bank’s Note, or a continuation of such schedule attached thereto, reflecting the making of such Loan or the receipt of such payment (as the case may be). Each Bank may, prior to any transfer of any Note, endorse on the reverse side thereof the outstanding principal amount of the Loans evidenced thereby. The Outstanding Amount of the Loans set forth on such Bank’s records shall be prima facie evidence of the principal amount thereof owing and unpaid to such Bank, but the failure to record, or any error in so recording, any such amount shall not limit or otherwise affect the obligations of each applicable Borrowers hereunder or under such Notes to make payments of principal of or interest on any such Notes when due.

(f) The Loans, L/C Credit Extensions and Bankers' Acceptances made, issued, accepted and/or purchased, as applicable, by each Bank shall be evidenced by one or more accounts or records maintained by such Bank and by the applicable Agent in the ordinary course of business. The accounts or records maintained by the applicable Agent and each Bank shall be conclusive absent manifest error of the amount of the credit extensions made by the Banks to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Bank and the accounts and records of the applicable Agent in respect of such matters, the accounts and records of the applicable Agent shall control in the absence of manifest error.

§2.6. Interest on Loans. Except as provided in §6.11:

(a) Each Domestic Loan (other than the Domestic Swing Line Loans) shall bear interest on the outstanding principal amount thereof at the rate per annum equal to (i) the Domestic Base Rate plus the Applicable Margin on all Base Rate Loans or (ii) the Domestic LIBOR Rate plus the Applicable Margin on all LIBOR Rate Loans. The Domestic Swing Line Loans shall bear interest at the rate per annum equal to the Domestic Base Rate plus the Applicable Margin on all Swing Line Loans.

(b) Each Canadian Loan (other than the Canadian Swing Line Loans) shall bear interest on the outstanding principal amount thereof at the rate per annum equal to (i) the Canadian Prime Rate plus the Applicable Margin on all Base Rate Loans denominated in Canadian Dollars, (ii) the Canadian Base Rate plus the Applicable Margin on all Base Rate Loans denominated in U.S. Dollars, or (iii) the Canadian LIBOR Rate plus the Applicable Margin on all LIBOR Rate Loans. Each Canadian Swing Line Loan (A) denominated in Canadian Dollars shall bear interest at the rate per annum equal to the Canadian Prime Rate plus the Applicable Margin on all Swing Line Loans and (B) denominated in U.S. Dollars shall bear interest at the rate per annum equal to the Canadian Base Rate plus the Applicable Margin on all Swing Line Loans. Notwithstanding anything to the contrary contained herein, no requested Canadian Loan denominated in Canadian Dollars may be a LIBOR Rate Loan.

(c) Each U.K. Loan (other than the U.K. Swing Line Loans) shall bear interest on the outstanding principal amount thereof at the rate per annum equal to (i) the Sterling LIBOR Rate plus the Applicable Margin on all LIBOR Rate Loans denominated in Sterling, (ii) the U.K. Dollar LIBOR Rate plus the Applicable Margin on all LIBOR Rate Loans denominated in Dollars or (iii) the EURIBOR Rate plus the Applicable Margin on all LIBOR Rate Loans denominated in Euro. Each U.K. Swing Line Loan (A) denominated in Sterling shall bear interest at the rate per annum equal to the U.K. Overnight LIBOR Rate for Sterling plus the Applicable Margin on all Swing Line Loans, (B) denominated in U.S. Dollars shall bear interest at the rate per annum equal to the U.K. Overnight LIBOR Rate for U.S. Dollars plus the Applicable Margin on all Swing

Line Loans and (C) denominated in Euros shall bear interest at the rate per annum equal to the U.K. Overnight LIBOR Rate for Euros plus the Applicable Margin on all Swing Line Loans.

(d) Each PR Loan shall bear interest on the outstanding principal amount thereof at the rate per annum equal to (i) the Domestic Base Rate plus the Applicable Margin on all Base Rate Loans bearing interest calculated by reference to the Domestic Base Rate or (ii) the Domestic LIBOR Rate plus the Applicable Margin on all LIBOR Rate Loans bearing interest calculated by reference to the Domestic LIBOR Rate.

(e) Each Borrower promises to pay interest on the Loans made to such Borrower in arrears on each Interest Payment Date with respect thereto and on the Maturity Date (or, if earlier, on the date of the termination in full of the Total Domestic Commitment, Total Canadian Commitment, Total U.K. Commitment, or Total PR Commitment, as applicable). Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Laws.

(f) No U.K. Reference Bank is under any obligation to provide a quotation for a Reference Rate. In the event that a U.K. Reference Bank does not provide such a Reference Rate, the U.K. Agent shall enter into negotiations (acting in good faith) with Ryder with a view to agreeing a substitute basis for determining the rate of interest.

(g) To the extent that any calculation of interest or any fee required to be paid under this Agreement shall be based on (or result in) a calculation that is less than zero, such calculation shall be deemed zero for purposes of this Agreement.

§2.7. Requests for Loans.

(a) Ryder shall give to the Administrative Agent written notice appropriately completed and signed by a Responsible Officer of Ryder in the form of Exhibit B-1 hereto (or telephonic notice confirmed in writing or a facsimile in the form of Exhibit B-1 hereto, or as provided in §2.12(c) with respect to actual or deemed requests for Domestic Base Rate Loans) or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent) of each Domestic Loan requested hereunder (a “Domestic Loan Request”) not later than (i) 11:00 a.m. on the proposed Drawdown Date of any Domestic Loan that is a Base Rate Loan, or (ii) 11:00 am three (3) Eurodollar Business Days prior to the proposed Drawdown Date of any Domestic Loan that is a LIBOR Rate Loan. Each such Domestic Loan Request shall specify (A) the principal amount of the Domestic Loan requested, (B) the proposed Drawdown Date of such Domestic Loan, (C) whether such Domestic Loan requested is to be a Base Rate Loan or a LIBOR Rate Loan, and (D) the Interest Period for such Domestic Loan, if a LIBOR Rate Loan. Each Domestic Loan requested shall be in a minimum amount of \$10,000,000. Domestic Loan Requests made hereunder shall be irrevocable and binding

on Ryder and shall obligate Ryder to accept the Domestic Loan requested from the Domestic Banks on the proposed Drawdown Date.

(b) The Canadian Borrowers shall give to the Canadian Agent written notice appropriately completed and signed by a Responsible Officer of the Canadian Borrowers in the form of Exhibit B-2 hereto (or telephone notice confirmed in writing or a facsimile in the form of Exhibit B-2 hereto or as provided in §2.14(c) with respect to actual or deemed requests for Canadian Base Rate Loans) or such other form as may be approved by the Canadian Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Canadian Agent) of each Canadian Loan requested hereunder (a “Canadian Loan Request”) not later than (i) 12:00 noon (Toronto time) one (1) Business Day prior to the proposed Drawdown Date of any Canadian Loan that is a Base Rate Loan, or (ii) 12:00 noon (Toronto time) three (3) Canadian Business Days prior to the proposed Drawdown Date of any Canadian Loan that is a LIBOR Rate Loan. Each such Canadian Loan Request shall specify (A) the principal amount of the Canadian Loan requested, (B) the proposed Drawdown Date of such Canadian Loan, (C) whether such Canadian Loan is to be a Base Rate Loan or a LIBOR Rate Loan, (D) the Interest Period of such Canadian Loan, if a LIBOR Rate Loan, and (E) whether such Canadian Loan is to be denominated in Canadian Dollars or U.S. Dollars. Each Canadian Loan Request shall be in a minimum amount of C\$3,000,000 or an integral multiple of C\$100,000 above such amount (or, in any case, the Dollar Equivalent thereof). Canadian Loan Requests made hereunder shall be irrevocable and binding on the Canadian Borrowers, and shall obligate the Canadian Borrowers to accept the Canadian Loan requested from the Canadian Banks on the proposed Drawdown Date. Notwithstanding anything to the contrary contained herein, no requested Canadian Loan denominated in Canadian Dollars may be a LIBOR Rate Loan.

(c) The U.K. Borrowers shall give to the U.K. Agent written notice appropriately completed and signed by a Responsible Officer of the U.K. Borrowers in the form of Exhibit B-3 hereto (or telephone notice confirmed in writing or a facsimile in the form of Exhibit B-3 hereto or as provided in §2.13(c) with respect to actual or deemed requests for U.K. LIBOR Rate Loans or EURIBOR Rate Loans) or such other form as may be approved by the U.K. Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the U.K. Agent) of each U.K. Loan requested hereunder (a “U.K. Loan Request”) not later than (i) 12:00 noon (London time) one (1) Business Day prior to the proposed Drawdown Date of any U.K. Loan that is a U.K. LIBOR Rate Loan denominated in Sterling or (ii) 12:00 noon (London time) three (3) Eurodollar Business Days prior to the proposed Drawdown Date of any U.K. Loan that is a LIBOR Rate Loan denominated in U.S. Dollars or Euros (including any EURIBOR Rate Loan). Each such U.K. Loan Request shall specify (A) the principal amount of the U.K. Loan requested, (B) the proposed Drawdown Date of such U.K. Loan, (C) the Interest Period of such U.K. Loan, and (D) whether such U.K. Loan is to be denominated in Sterling, U.S. Dollars or Euros. Each U.K. Loan Request shall be in a minimum amount of \$1,000,000, £500,000 if denominated in Sterling or EU1,000,000 if denominated in Euros. U.K. Loan Requests made hereunder shall be irrevocable and

binding on the U.K. Borrowers, and shall obligate the U.K. Borrowers to accept the U.K. Loan requested from the U.K. Banks on the proposed Drawdown Date.

(d) Ryder PR shall give the Administrative Agent written notice appropriately completed and signed by a Responsible Officer of Ryder PR in the form of Exhibit B-4 hereto (or telephone notice confirmed in writing or a facsimile in the form of Exhibit B-4) or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent) of each PR Loan requested hereunder (a “PR Loan Request”) not later than (i) 11:00 a.m. on the proposed Drawdown Date of any PR Loan that is to bear interest calculated by reference to the Domestic Base Rate, or (ii) 11:00 a.m. three (3) Eurodollar Business Days prior to the proposed Drawdown Date of any PR Loan that is to bear interest calculated by reference to the Domestic LIBOR Rate. Each such PR Loan Request shall specify (A) the principal amount of each PR Loan requested, (B) the proposed Drawdown Date of such PR Loan, (C) whether such PR Loan requested is to bear interest calculated by reference to the Domestic Base Rate or the Domestic LIBOR Rate. PR Loan Requests made hereunder shall be irrevocable and binding on Ryder PR, and shall obligate Ryder PR to accept the PR Loan requested from the PR Banks on the proposed Drawdown Date.

(e) The Administrative Agent shall promptly notify each Domestic Bank of each Domestic Loan Request received by the Administrative Agent. The Canadian Agent shall promptly notify each Canadian Bank of each Canadian Loan Request received by the Canadian Agent. The U.K. Agent shall promptly notify each U.K. Bank of each U.K. Loan Request received by the U.K. Agent. The Administrative Agent shall promptly notify each PR Bank of each PR Loan Request received by the Administrative Agent.

§2.8. Election of LIBOR Rate; Notice of Election; Interest Periods; Minimum Amounts.

(a) At the Borrowers’ option, so long as no Event of Default has occurred and is then continuing, each Borrower may (i) elect to convert any Base Rate Loan or a portion thereof to a LIBOR Rate Loan, (ii) at the time of any Domestic Loan Request, Canadian Loan Request, U.K. Loan Request or PR Loan Request specify that such requested Loan shall be a LIBOR Rate Loan, or (iii) upon expiration of the applicable Interest Period, elect to maintain an existing LIBOR Rate Loan as such; provided that the applicable Borrower shall give notice to the Administrative Agent, in the case of Domestic Loans and PR Loans, the Canadian Agent, in the case of Canadian Loans, or the U.K. Agent, in the case of U.K. Loans, pursuant to §2.8(b) hereof. Upon determining the applicable rate for any such LIBOR Rate Loan, the Administrative Agent, in the case of Domestic Loans and PR Loans, the Canadian Agent, in the case of Canadian Loans, and the U.K. Agent, in the case of U.K. Loans, shall forthwith provide notice thereof to the applicable Borrower(s) and the applicable Banks, and each such notice to such Borrower(s) shall be considered prima facie correct and binding, absent manifest error. No Loan may be converted into or continued as a Loan denominated in a different

currency, but instead must be prepaid in the original currency of such Loan and reborrowed in the other currency.

(b) Three (3) Eurodollar Business Days (or, in the case of (i) a Canadian LIBOR Rate Loan, three (3) Canadian Business Days and (ii) a LIBOR Rate Loan denominated in Sterling or Euros, one (1) Eurodollar Business Day) prior to the making of any LIBOR Rate Loan or the conversion of any Base Rate Loan to a LIBOR Rate Loan, or, in the case of an outstanding LIBOR Rate Loan, the expiration date of the applicable Interest Period, the applicable Borrower shall give written notice to the Administrative Agent, in the case of Domestic Loans and PR Loans, the Canadian Agent, in the case of Canadian Loans, or the U.K. Agent, in the case of U.K. Loans, not later than 12:00 noon (local time for such Agent) of its election pursuant to §2.8(a). Each such notice delivered to the Administrative Agent, the Canadian Agent or the U.K. Agent, shall specify the aggregate principal amount of applicable Loans to be borrowed or maintained as or converted to LIBOR Rate Loans and the requested duration of the Interest Period that will be applicable to such LIBOR Rate Loan, and shall be irrevocable and binding upon such Borrower. If Ryder shall fail to give the Administrative Agent, or if the Canadian Borrowers shall fail to give the Canadian Agent, or if the U.K. Borrowers shall fail to give the U.K. Agent, or if Ryder PR shall fail to give the Administrative Agent, notice of its or their election hereunder, together with all of the other information required by this §2.8(b), with respect to any Loan (other than a U.K. Loan), whether at the end of an Interest Period or otherwise, such Loan shall be deemed a Base Rate Loan. If the U.K. Borrowers shall fail to give to the U.K. Agent notice of their election hereunder, together with all of the other information required by this §2.8(b), with respect to a U.K. Loan, whether at the end of an Interest Period or otherwise, such Loan shall bear interest at the end of such Interest Period for an Interest Period of seven (7) days at a rate equal to the sum of (A) the rate determined by the U.K. Agent at which Sterling, Dollars or Euros (as the case may be) deposits are offered to it for a period of seven (7) days at approximately 11:00 a.m. (London time) on such day for an amount equal to the principal amount of such Loan plus (B) the Applicable Margin on all LIBOR Rate Loans. The Administrative Agent, the Canadian Agent, or the U.K. Agent, as the case may be, shall promptly notify the applicable Banks in writing (or by telephone confirmed in writing or by facsimile) of such election.

(c) Notwithstanding anything herein to the contrary, no Borrower may specify an Interest Period with respect to the Domestic Loans, Canadian Loans, U.K. Loans or PR Loans that would extend beyond the Maturity Date.

(d) No conversion of Loans pursuant to this §2.8 may result in (i) a LIBOR Rate Loan denominated in Dollars or Euros with a principal amount less than \$1,000,000 (or the Euro Equivalent thereof), (ii) a LIBOR Rate Loan denominated in Sterling with a principal amount less than £500,000 or (iii) a Canadian LIBOR Rate Loan with a principal amount less than the Dollar Equivalent of C\$3,000,000. In no event shall a Borrower have more than twenty (20) different Interest Periods for borrowings of LIBOR Rate Loans outstanding at any time.

(e) Subject to the terms and conditions of §6.10 hereof, if any Bank demands compensation under §6.7(c) or (d) with respect to any LIBOR Rate Loan, the applicable Borrower may at any time, upon at least three (3) Business Days' prior written notice to the applicable Agent, elect to convert such LIBOR Rate Loan (other than any U.K. Loan) into a Base Rate Loan denominated in Dollars bearing interest calculated by reference to the Domestic Base Rate or the Canadian Base Rate, as applicable (on which interest and principal shall be payable contemporaneously with the related LIBOR Rate Loans of the other Banks). Thereafter, and until such time as such Bank notifies the applicable Agent that the circumstances giving rise to the demand for compensation under §6.7(c) or (d) no longer exist, all requests for LIBOR Rate Loans (other than U.K. Loans) from such Bank shall be deemed to be requests for Base Rate Loans denominated in Dollars. Once such Bank notifies the applicable Agent that such circumstances no longer exist, the Borrower(s) may elect that the principal amount of each such Loan converted hereunder shall again bear interest as a LIBOR Rate Loan beginning on the first day of the next succeeding Interest Period applicable to the related LIBOR Rate Loans of the other Banks.

§2.9. Funds for Loans. Not later than 1:00 p.m. (local time for each applicable Agent) on the proposed Drawdown Date (a) in the case of Domestic Loans, each of the Domestic Banks will make available to the Administrative Agent, (b) in the case of Canadian Loans, each of the Canadian Banks will make available to the Canadian Agent, (c) in the case of the U.K. Loans, each of the U.K. Banks will make available to the U.K. Agent, or (d) in the case of PR Loans, each of the PR Banks will make available to the Administrative Agent, in each case at such Agent's respective Head Office, in immediately available funds, the amount of its Domestic Commitment Percentage, Canadian Commitment Percentage, U.K. Commitment Percentage or PR Commitment Percentage, as the case may be, of the amount of the requested Loan. Upon receipt from each Bank of such amount, and upon receipt of the documents required by §11 and the borrowing certificate required under §12 and the satisfaction of the other conditions set forth therein, to the extent applicable, the Administrative Agent will make available to Ryder the aggregate amount of such Domestic Loans made available by the Domestic Banks (and the funds otherwise available under §2.12(c), if any), the Canadian Agent will make available to the Canadian Borrowers the aggregate amount of such Canadian Loans made available by the Canadian Banks (and the funds otherwise available under §2.14(c), if any), (subject to §6.15(c) and §6.15(d)) the U.K. Agent will make available to the U.K. Borrowers the amount of such U.K. Loans made available by the U.K. Banks (and the funds otherwise available under §2.13(c), if any) and the Administrative Agent will make available to Ryder PR the amount of such PR Loans made available by the PR Banks in each case, not later than 3:00 p.m. (local time for such Agent). The failure or refusal of any Bank to make available to the applicable Agent at the aforesaid time and place on any Drawdown Date the amount of its Domestic Commitment Percentage of the requested Domestic Loan, or its Canadian Commitment Percentage of the requested Canadian Loan, or its U.K. Commitment Percentage of the requested U.K. Loan, or its PR Commitment Percentage of the requested PR Loan, as the case may be, shall not relieve any other Bank from its several obligations hereunder to make available to the applicable Agent the amount of such Bank's Domestic Commitment Percentage, or Canadian Commitment

Percentage, or U.K. Commitment Percentage, or PR Commitment Percentage, as the case may be, of any requested Loan.

§2.10. Maturity of the Loans.

The Domestic Loans, Canadian Loans, U.K. Loans and PR Loans shall be due and payable on the Maturity Date (or, if earlier, on the date of the termination in full of the Total Domestic Commitment, the Total Canadian Commitment, the Total U.K. Commitment or the Total PR Commitment, as applicable). Ryder promises to pay to the Administrative Agent, for the pro rata accounts of the Domestic Banks, the Outstanding Amount of all Domestic Loans outstanding on the Maturity Date (or, if earlier, on the date of the termination in full of the Total Domestic Commitment). The Canadian Borrowers jointly and severally promise to pay to the Canadian Agent, for the pro rata accounts of the Canadian Banks, the Outstanding Amount of all Canadian Loans outstanding on the Maturity Date (or, if earlier, on the date of the termination in full of the Total Canadian Commitment). The U.K. Borrowers jointly and severally promise to pay to the U.K. Agent, for the pro rata accounts of the U.K. Banks, the Outstanding Amount of all U.K. Loans outstanding on the Maturity Date (or, if earlier, on the date of the termination in full of the Total U.K. Commitment). Ryder PR promises to pay the Administrative Agent, for the pro rata accounts of the PR Banks, the Outstanding Amount of all PR Loans outstanding on the Maturity Date (or, if earlier, on the date of the termination in full of the Total PR Commitment). All such payments shall be made together with any and all accrued and unpaid interest thereon, the accrued and unpaid Domestic Facility Fee, Canadian Facility Fee, U.K. Facility Fee and the PR Facility Fee with respect thereto, and any other fees and other amounts owing hereunder.

§2.11. Optional Prepayments or Repayments of Loans.

(a) Subject to the terms and conditions of §6.10, each Borrower shall have the right, at its election, to repay or prepay the Outstanding Amount of the Loans, as a whole or in part, at any time without penalty or premium. Each Borrower shall give the Administrative Agent, the Canadian Agent or the U.K. Agent, as the case may be, no later than 11:00 a.m. (local time for such Agent) one (1) Business Day (or, in the case of U.K. Loans, two (2) Business Days) prior to the proposed date of prepayment or repayment, written notice (or telephonic notice confirmed in writing) of any proposed prepayment or repayment pursuant to this §2.11, specifying the proposed date of prepayment or repayment of the Loans and the principal amount to be paid and, if LIBOR Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent shall promptly notify each Domestic Bank, the Canadian Agent shall promptly notify each Canadian Bank, the U.K. Agent shall promptly notify each U.K. Bank and the Administrative Agent shall promptly notify each PR Bank, by written notice (or telephonic notice confirmed in writing) of such notice of payment and of the amount of such Bank's pro rata share of such prepayment. If such notice is given by any Borrower(s), such Borrower(s) shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a LIBOR Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to §6.10. Each

such prepayment shall be applied to the Loans of the applicable Banks in accordance with their respective pro rata share.

(b) The applicable Borrower(s) may, upon notice to the applicable Agent (with a copy to the Administrative Agent), at any time or from time to time, repay or prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the applicable Swing Line Lender and, if different, the applicable Agent not later than 11:00 a.m. (local time for such Swing Line Lender) on the date of the prepayment. Each such notice shall specify the date and amount of such prepayment. If such notice is given by a Borrower(s), such Borrower(s) shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) If for any reason the Total Outstandings at any time exceeds the Total Commitment then in effect, the applicable Borrowers shall immediately prepay Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the Borrowers shall not be required to Cash Collateralize the L/C Obligations pursuant to this §2.11(c) unless after the prepayment in full of the Loans the Total Outstandings exceeds the Total Commitment then in effect.

§2.12. The Domestic Swing Line.

(a) The Domestic Swing Line Loans. Subject to the terms and conditions hereinafter set forth, upon notice by Ryder to the Domestic Swing Line Lenders in accordance with this §2.12, each of the Domestic Swing Line Lenders severally (and not jointly) agrees to make loans directly to Ryder (the “Domestic Swing Line Loans”) in Dollars in an amount equal to its Domestic Swing Line Commitment Percentage of such Domestic Swing Line Loans on any Business Day during the Availability Period; provided that (i) the aggregate Outstanding Amount of Domestic Swing Line Loans shall not, at any time and after giving effect to all amounts requested, exceed the Total Domestic Swing Line Commitment, and (ii) the Outstanding Amount of the Domestic Swing Line Loans owed to a Domestic Swing Line Lender shall not, at any time and after giving effect to all amounts requested, exceed such Domestic Swing Line Lender’s Domestic Swing Line Commitment. Each Domestic Swing Line Loan shall be in a minimum amount equal to \$1,000,000 or an integral multiple thereof. Notwithstanding any other provisions of this Agreement and in addition to the limit set forth above, at no time shall the aggregate Outstanding Amount of all Domestic Swing Line Loans exceed the remainder of (A) the Total Domestic Commitment then in effect minus (B) the sum of (1) the Outstanding Amount of all Domestic Loans at such time, plus (2) the Outstanding Amount of L/C Obligations at such time; provided, that Ryder shall not use the proceeds of any Domestic Swing Line Loan to refinance any outstanding Domestic Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, Ryder may borrow under this §2.12, prepay or repay under §2.11, and reborrow under this §2.12. Each Domestic Swing Line Loan shall be a Base Rate Loan. Immediately upon the making of a Domestic Swing Line Loan, each Domestic Bank shall be deemed

to, and hereby irrevocably and unconditionally agrees to, purchase from each Domestic Swing Line Lender a risk participation in such Domestic Swing Line Loan made by such Domestic Swing Line Lender in an amount equal to the product of such Domestic Bank's Domestic Commitment Percentage times the amount of such Domestic Swing Line Loan made by such Domestic Swing Line Lender. Notwithstanding the foregoing, neither of the Domestic Swing Line Lenders shall be under any obligation to advance any Domestic Swing Line Loan if any Bank is at such time a Defaulting Bank unless Cash Collateral is provided to the Domestic Swing Line Lenders as set forth in §2.15. Any Cash Collateral provided under this Section shall be held and released pursuant to the terms and provisions of such §2.15.

(b) Notice of Borrowing. When Ryder desires the Domestic Swing Line Lenders to make a Domestic Swing Line Loan, it shall send to the Domestic Swing Line Lenders and the Administrative Agent written notice appropriately completed and signed by a Responsible Officer of Ryder in the form of Exhibit G-1 hereto (or telephonic notice confirmed in a writing in the form of Exhibit G-1 hereto) or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent) of each Domestic Swing Line Loan requested hereunder (a "Domestic Swing Line Loan Request") not later than 2:00 p.m. on the proposed Drawdown Date of any Domestic Swing Line Loan. Each such Domestic Swing Line Loan Request shall set forth the principal amount of the proposed Domestic Swing Line Loan and the Swing Line Loan Maturity Date relating to such Domestic Swing Line Loan, which shall in no event be later than the Maturity Date. Each Domestic Swing Line Loan Request shall be irrevocable and binding on Ryder and shall obligate Ryder to borrow the Domestic Swing Line Loan from the Domestic Swing Line Lenders on the proposed Drawdown Date thereof. Upon satisfaction of the applicable conditions set forth in this Agreement, on the proposed Drawdown Date each of the Domestic Swing Line Lenders shall make its Domestic Swing Line Commitment Percentage of the requested Domestic Swing Line Loan available to Ryder no later than 3:00 p.m. on the proposed Drawdown Date by crediting the amount of the Domestic Swing Line Loan to the account specified by Ryder; provided that neither Domestic Swing Line Lender shall advance any Domestic Swing Line Loans after it has received notice from any Bank that a Default or Event of Default has occurred and stating that no new Domestic Swing Line Loans are to be made until such Default or Event of Default has been cured or waived in accordance with the provisions of this Agreement.

(c) Automatic Domestic Base Rate Loan Request. In the event that any Domestic Swing Line Loan Request for a Domestic Swing Line Loan causes the aggregate Outstanding Amount of Domestic Swing Line Loans to exceed \$25,000,000 at any time, concurrently with such Domestic Swing Line Loan Request, Ryder shall also submit to the Administrative Agent a Domestic Loan Request for a Domestic Base Rate Loan to be made on the next Business Day in a principal amount equal to the aggregate Outstanding Amount of Domestic Swing Line Loans (provided that if Ryder shall fail to submit such Domestic Loan Request, the parties agree that Ryder shall be deemed to

make, and Ryder hereby authorizes the Administrative Agent to distribute to the Banks, a concurrent request for a Domestic Base Rate Loan to be made on the next Business Day in a principal amount equal to the aggregate Outstanding Amount of Domestic Swing Line Loans), and the proceeds of such Domestic Base Rate Loan shall be applied as set forth in §2.12(e); provided that (i) the sum of (A) the Outstanding Amount of the Domestic Loans, plus (B) the Outstanding Amount of L/C Obligations, shall not, at any time and after giving effect to all amounts requested, exceed the Total Domestic Commitment, (ii) the sum of (A) the Outstanding Amount of the Domestic Loans owed to a Domestic Bank, plus (B) the aggregate amount of such Domestic Bank's participation in L/C Obligations, plus (C) the aggregate amount of such Domestic Bank's participation in Domestic Swing Line Loans, shall not, at any time and after giving effect to all amounts requested, exceed such Domestic Bank's Domestic Commitment, and (iii) the Total Outstandings shall not, at any time and after giving effect to all amounts requested, exceed the Total Commitment.

(d) Interest on Domestic Swing Line Loans. Each Domestic Swing Line Loan shall be a Domestic Base Rate Loan and, except as otherwise provided in §6.11 hereof, shall bear interest from the Drawdown Date thereof until repaid in full at the rate per annum equal to the Domestic Base Rate plus the Applicable Margin on all Swing Line Loans, which shall be paid on each Interest Payment Date for Domestic Base Rate Loans and on the applicable Swing Line Loan Maturity Date (or, if earlier, on the date of the termination in full of the Total Domestic Commitment).

(e) Repayment of Domestic Swing Line Loans. Ryder shall repay each outstanding Domestic Swing Line Loan directly to each Domestic Swing Line Lender on or prior to the Swing Line Loan Maturity Date relating thereto (or, if earlier, on the date of the termination in full of the Total Domestic Commitment); provided that Ryder shall repay the aggregate Outstanding Amount of all Domestic Swing Line Loans at any time such Outstanding Amount is in excess of \$25,000,000 with the proceeds of the Domestic Base Rate Loan requested under §2.12(c), and Ryder agrees to apply, and Ryder hereby authorizes the Domestic Swing Line Lenders to apply, such proceeds to the outstanding Domestic Swing Line Loans. Upon notice by any Domestic Swing Line Lenders to the Administrative Agent on any Business Day (i) following the Swing Line Loan Maturity Date relating to each Domestic Swing Line Loan, or (ii) at the option of such Domestic Swing Line Lenders, after the occurrence of an Event of Default, each of the Domestic Banks hereby agrees to make Domestic Loans to Ryder constituting Domestic Base Rate Loans, on the next succeeding Business Day following such notice, in an amount equal to such Bank's Domestic Commitment Percentage of the aggregate Outstanding Amount of all Domestic Swing Line Loans made by such Domestic Swing Line Lender (and the Domestic Swing Line Lenders may apply Cash Collateral available for such purpose with respect to the applicable Swing Line Loan). The proceeds thereof shall be applied directly by the Domestic Swing Line Lenders to repay the Domestic Swing Line Loans made by such Domestic Swing Line Lenders, and Ryder hereby authorizes such application. Each Domestic Bank hereby absolutely, unconditionally and irrevocably agrees to make such Domestic Loans upon one Business Days' notice as set forth above,

notwithstanding (A) that the amount of such Domestic Loan may not comply with the applicable minimums set forth herein, (B) the failure of Ryder to meet the applicable conditions set forth in §11 or §12 hereof, (C) the occurrence or continuance of a Default or an Event of Default hereunder, (D) the Total Domestic Commitment in effect at such time, (E) any setoff, counterclaim, recoupment, defense or other right which such Domestic Bank may have against the Domestic Swing Line Lenders, Ryder or any other Person for any reason whatsoever or (F) any other occurrence, event or condition, whether or not similar to any of the foregoing. In the event that it is impracticable for such Domestic Loan to be made for any reason on the date otherwise required above, then each Domestic Bank hereby agrees that it shall forthwith purchase (as of the date such Domestic Loan would have been made, but adjusted for any payments received from Ryder on or after such date and prior to such purchase) from each of the Domestic Swing Line Lenders, and each of the Domestic Swing Line Lenders shall sell to each Domestic Bank, such participations in its Domestic Swing Line Loans (including all accrued and unpaid interest thereon) outstanding as shall be necessary to cause the Domestic Banks to share in such Domestic Swing Line Loans pro rata based on their respective Domestic Commitment Percentages (without regard to any termination of the Total Domestic Commitment hereunder) by making available to each of the Domestic Swing Line Lenders (which may be through the Administrative Agent) an amount equal to such Bank's participation in such Domestic Swing Line Loans. No such funding of risk participations shall relieve or otherwise impair the obligation of Ryder to repay Domestic Swing Line Loans, together with interest as provided herein. Any repayment by any Domestic Bank to the Domestic Swing Line Lenders may be done in consultation with the Administrative Agent.

Until a Bank funds its Domestic Base Rate Loan or risk participation pursuant to this §2.12(e) to refinance such Bank's Domestic Commitment Percentage of any Domestic Swing Line Loan, interest in respect of such Domestic Swing Line Loan shall be solely for the account of the relevant Domestic Swing Line Lenders. Each Domestic Swing Line Lender shall be responsible for invoicing Ryder for interest on its Domestic Swing Line Loans. Ryder shall make all payments of principal and interest in respect of the Domestic Swing Line Loans directly to the applicable Domestic Swing Line Lenders (who shall promptly notify the Administrative Agent of such payment).

If any Domestic Bank fails to make available to the Domestic Swing Line Lenders any amount required to be paid by such Domestic Bank pursuant to the foregoing provisions of this §2.12(e), the Domestic Swing Line Lenders shall be entitled to recover from such Domestic Bank, on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such Domestic Swing Line Lenders at a rate per annum equal to the Overnight Rate from time to time in effect, plus any administrative, processing or similar fees customarily charged by such Domestic Swing Line Lenders in connection with the foregoing. If such Domestic Bank pays such amount (with interest and fees as aforesaid), the amount so paid (less all such aforementioned interest and fees incurred by such Domestic Bank as a result of its failure to pay the required amounts to the applicable

Domestic Swing Line Lenders) shall constitute such Domestic Bank's Domestic Base Rate Loan included in the relevant Domestic Base Rate borrowing or funded participation in the relevant Domestic Swing Line Loan, as the case may be. A certificate of a Domestic Swing Line Lender submitted to any Domestic Bank with respect to any amounts owing under this §2.12(e) shall be conclusive absent manifest error.

(f) The Domestic Swing Line Notes. The obligation of Ryder to repay the Domestic Swing Line Loans made pursuant to this Agreement and to pay interest thereon as set forth in this Agreement may be evidenced by a promissory note of Ryder with appropriate insertions substantially in the form of Exhibit A-5 attached hereto (the "Domestic Swing Line Note"), dated the Closing Date and payable to the applicable Domestic Swing Line Lender in a principal amount stated to be the lesser of (i) such Domestic Swing Line Lender's Domestic Swing Line Commitment and (ii) the aggregate Outstanding Amount of Domestic Swing Line Loans at any time advanced by the applicable Domestic Swing Line Lender. Upon the request of any Domestic Swing Line Lender to Ryder made through the Administrative Agent, Ryder shall execute and deliver to such Domestic Swing Line Lender (through the Administrative Agent) a Domestic Swing Line Note. Ryder irrevocably authorizes each Domestic Swing Line Lender to make or cause to be made, at or about the time of the Drawdown Date of any Domestic Swing Line Loan or at the time of receipt of any payment of principal on the Domestic Swing Line Note, an appropriate notation on the grid attached to such Note or such Domestic Swing Line Lender's records reflecting the making of such Domestic Swing Line Loan or (as the case may be) the receipt of such payment. The Outstanding Amount of the Domestic Swing Line Loans set forth on such grid or such records shall be prima facie evidence of the principal amount thereof owing and unpaid to such Domestic Swing Line Lender, but the failure to record, or any error in so recording, any such amount on such Note or such records shall not limit or otherwise affect the actual amount of the obligations of Ryder hereunder or under the Domestic Swing Line Note to make payments of principal of or interest on the Domestic Swing Line Note when due.

(g) Repayment of Participations.

(i) At any time after any Domestic Bank has purchased and funded a risk participation in a Domestic Swing Line Loan, if any Domestic Swing Line Lender receives any payment on account of such Domestic Swing Line Loan, such Domestic Swing Line Lender will distribute to such Domestic Bank (which may be through the Administrative Agent) its pro rata share thereof based on such Bank's Domestic Commitment Percentage in the same funds as those received by such Domestic Swing Line Lender.

(ii) If any payment received by a Domestic Swing Line Lender in respect of principal or interest on any Domestic Swing Line Loan is required to be returned by such Domestic Swing Line Lender under any of the circumstances described in §15A (including pursuant to any settlement entered into by such Domestic Swing Line Lender in its discretion), each Domestic Bank shall pay to such Domestic Swing Line Lender its pro rata share thereof based on such Bank's Domestic Commitment Percentage on demand of such Domestic Swing Line Lender, plus interest thereon from the date of such

demand to the date such amount is returned, at a rate per annum equal to the applicable Overnight Rate. The obligations of the Domestic Banks under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

§2.13. The U.K. Swing Line.

(a) The U.K. Swing Line Loans. Subject to the terms and conditions hereinafter set forth, upon notice by the U.K. Borrowers made to the U.K. Swing Line Lender in accordance with this §2.13, the U.K. Swing Line Lender agrees to make loans to the U.K. Borrowers (the “U.K. Swing Line Loans”) on any Business Day prior to the Maturity Date in any of Dollars, Sterling or Euros in an aggregate principal amount not to exceed \$50,000,000 (or the Sterling Equivalent or Euro Equivalent thereof) at any one time outstanding. Each U.K. Swing Line Loan shall be in a minimum amount equal to £500,000 (or the Dollar Equivalent or Euro Equivalent thereof) or an integral multiple thereof. Notwithstanding any other provisions of this Agreement and in addition to the limit set forth above, at no time shall the aggregate Outstanding Amount of all outstanding U.K. Swing Line Loans exceed the remainder of (i)(A) the Total U.K. Commitment then in effect minus (B) the sum of (1) the aggregate Outstanding Amount of all U.K. Loans denominated in Dollars, plus (2) the aggregate Outstanding Amount of all U.K. Loans denominated in Sterling, plus (3) the aggregate Outstanding Amount of all U.K. Loans denominated in Euros, or (ii)(A) the U.K. Commitment of the U.K. Swing Line Lender then in effect minus (B) (1) the Outstanding Amount of the U.K. Loans denominated in Dollars owed to the U.K. Swing Line Lender, plus (2) the Outstanding Amount of U.K. Loans denominated in Sterling owed to the U.K. Swing Line Lender, plus (3) the Outstanding Amount of U.K. Loans denominated in Euros owed to the U.K. Swing Line Lender, plus (4) the Outstanding Amount of U.K. Swing Line Loans; provided, that the U.K. Borrowers shall not use the proceeds of any U.K. Swing Line Loan to refinance any outstanding U.K. Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, the U.K. Borrowers may borrow under this §2.13, prepay or repay under §2.11, and reborrow under this §2.13. Each U.K. Swing Line Loan shall be a U.K. Overnight LIBOR Rate Loan. Immediately upon the making of a U.K. Swing Line Loan, each U.K. Bank shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the U.K. Swing Line Lender a risk participation in such U.K. Swing Line Loan in an amount equal to the product of such U.K. Bank’s U.K. Commitment Percentage times the amount of such U.K. Swing Line Loan. Notwithstanding the foregoing, the U.K. Swing Line Lender shall not be under any obligation to advance any U.K. Swing Line Loan if any Bank is at such time a Defaulting Bank unless Cash Collateral is provided to the U.K. Swing Line Lender as set forth in §2.15. Any Cash Collateral provided under this Section shall be held and released pursuant to the terms and provisions of such §2.15.

(b) Notice of Borrowing. When the U.K. Borrowers desire the U.K. Swing Line Lender to make a U.K. Swing Line Loan, they shall send to the U.K. Swing Line Lender written notice appropriately completed and signed by a Responsible Officer of the U.K. Borrowers in the form of Exhibit G-2 hereto (or telephonic notice confirmed in a

writing in the form of Exhibit G-2 hereto) or such other form as may be approved by the U.K. Swing Line Lender (including any form on an electronic platform or electronic transmission system as shall be approved by the U.K. Swing Line Lender) of each U.K. Swing Line Loan requested hereunder (a “U.K. Swing Line Loan Request”) not later than (i) in the case of U.K. Swing Line Loans denominated in Sterling, 10:00 a.m. (London time), or (ii) in the case of U.K. Swing Line Loans denominated in Dollars or Euros, 11:00 a.m. (London time), on the proposed Drawdown Date of any U.K. Swing Line Loan. Each such U.K. Swing Line Loan Request shall set forth the principal amount of the proposed U.K. Swing Line Loan, the currency in which such U.K. Swing Line Loan should be made and the Swing Line Loan Maturity Date relating to such U.K. Swing Line Loan, which shall in no event be later than the Maturity Date. Each U.K. Swing Line Loan Request shall be irrevocable and binding on the U.K. Borrowers and shall obligate the U.K. Borrowers to borrow the U.K. Swing Line Loan from the U.K. Swing Line Lender on the proposed Drawdown Date thereof. Upon satisfaction of the applicable conditions set forth in this Agreement, on the proposed Drawdown Date the U.K. Swing Line Lender shall make the U.K. Swing Line Loan available to the U.K. Borrowers no later than 3:00 p.m. (London time) on the proposed Drawdown Date by crediting the amount of the U.K. Swing Line Loan to the account specified by the U.K. Borrowers; provided that the U.K. Swing Line Lender shall not advance any U.K. Swing Line Loans after it has received notice from any Bank that a Default or Event of Default has occurred and stating that no new U.K. Swing Line Loans are to be made until such Default or Event of Default has been cured or waived in accordance with the provisions of this Agreement.

(c) Automatic LIBOR Rate Loan Request. In the event that any U.K. Swing Line Loan Request for a U.K. Swing Line Loan causes the aggregate Outstanding Amount of U.K. Swing Line Loans to exceed \$25,000,000 at any time (or the Sterling Equivalent or Euro Equivalent thereof), concurrently with such U.K. Swing Line Loan Request, the U.K. Borrowers shall also submit to the U.K. Agent a U.K. Loan Request for a U.K. LIBOR Rate Loan or EURIBOR Rate Loan (as applicable) to be made on the next Business Day in a principal amount equal to the aggregate Outstanding Amount of U.K. Swing Line Loans (provided that if the U.K. Borrowers fail to submit such U.K. Loan Request, the parties agree that the U.K. Borrowers shall be deemed to make, and each of the U.K. Borrowers hereby authorizes, an automatic concurrent request for a U.K. LIBOR Rate Loan or EURIBOR Rate Loan (as applicable to be made on the next Business Day in a principal amount equal to the aggregate Outstanding Amount of U.K. Swing Line Loans (or the Sterling Equivalent or Euro Equivalent thereof) with the shortest applicable Interest Period) and the proceeds of such U.K. LIBOR Rate Loan or EURIBOR Rate Loan (as applicable) shall be applied as set forth in §2.13(e); provided that (i) the sum of (A) the Outstanding Amount of the U.K. Loans denominated in Dollars, plus (B) the Outstanding Amount of the U.K. Loans denominated in Sterling, plus (C) the Outstanding Amount of the U.K. Loans denominated in Euros, shall not, at any time and after giving effect to all amounts requested, exceed the Total U.K. Commitment, (ii) the sum of (A) the Outstanding Amount of the U.K. Loans denominated in Dollars owed to a U.K. Bank, plus (B) the Outstanding Amount of the

U.K. Loans denominated in Sterling owed to such U.K. Bank, plus (C) the Outstanding Amount of the U.K. Loans denominated in Euros owed to such U.K. Bank, plus (D) the aggregate amount of such U.K. Bank's participation U.K. Swing Line Loans, shall not, at any time and after giving effect to all amounts requested, exceed such U.K. Bank's U.K. Commitment, and (iii) the Total Outstandings shall not, at any time and after giving effect to all amounts requested, exceed the Total Commitment.

(d) Interest on U.K. Swing Line Loans. Each U.K. Swing Line Loan shall be a U.K. Overnight LIBOR Rate Loan and, except as otherwise provided in §6.11 hereof, shall bear interest from the Drawdown Date thereof until repaid in full at the rate per annum equal to (i) the U.K. Overnight LIBOR Rate for Sterling plus the Applicable Margin on all Swing Line Loans, with respect to each U.K. Swing Line Loan denominated in Sterling, (ii) the U.K. Overnight LIBOR Rate for U.S. Dollars plus the Applicable Margin on all Swing Line Loans, with respect to each U.K. Swing Line Loan denominated in U.S. Dollars, and (iii) the U.K. Overnight LIBOR Rate for Euros plus the Applicable Margin on all Swing Line Loans, with respect to each U.K. Swing Line Loan denominated in Euros, which shall, in each case, be paid on each Interest Payment Date for U.K. Overnight LIBOR Rate Loans and on the applicable Swing Line Loan Maturity Date (or, if earlier, on the date of the termination in full of the Total U.K. Commitment).

(e) Repayment of U.K. Swing Line Loans. The U.K. Borrowers shall repay each outstanding U.K. Swing Line Loan on or prior to the Swing Line Loan Maturity Date relating thereto (or, if earlier, on the date of the termination in full of the Total U.K. Commitment); provided that the U.K. Borrowers shall repay the aggregate Outstanding Amount of all U.K. Swing Line Loans at any time in excess of \$25,000,000 with the proceeds of the U.K. LIBOR Rate Loan or EURIBOR Rate Loan (as applicable) requested under §2.13(c) (as the case may be), and each of the U.K. Borrowers hereby agrees to apply, and each of the U.K. Borrowers hereby authorizes the U.K. Agent to apply, such proceeds to the outstanding U.K. Swing Line Loans. Upon notice by the U.K. Swing Line Lender on any Business Day (i) following the Swing Line Loan Maturity Date relating to each U.K. Swing Line Loan or (ii) at the option of the U.K. Swing Line Lender, after the occurrence of an Event of Default, each of the U.K. Banks hereby agrees to make U.K. Loans to the U.K. Borrowers constituting U.K. LIBOR Rate Loans or EURIBOR Rate Loan (as applicable), in each case, with the shortest applicable Interest Period, on the next succeeding Business Day following such notice, in an amount equal to such Bank's U.K. Commitment Percentage of the aggregate Outstanding Amount of all U.K. Swing Line Loans (and the U.K. Swing Line Lender may apply Cash Collateral available for such purpose with respect to the applicable Swing Line Loan). The proceeds thereof shall be applied directly by the U.K. Swing Line Lender to repay outstanding U.K. Swing Line Loans and each of the U.K. Borrowers hereby authorizes such application. Each U.K. Bank hereby absolutely, unconditionally and irrevocably agrees to make such U.K. Loans upon one Business Days' notice as set forth above, notwithstanding (A) that the amount of such U.K. Loan may not comply with the applicable minimums set forth herein, (B) the failure of the U.K. Borrowers to meet the applicable conditions set forth in §11 or §12 hereof, (C) the occurrence or continuance of

a Default or an Event of Default hereunder, (D) the Total U.K. Commitment in effect at such time, (E) any setoff, counterclaim, recoupment, defense or other right which such U.K. Bank may have against the U.K. Swing Line Lender, the U.K. Borrowers or any other Person for any reason whatsoever or (F) any other occurrence, event or condition, whether or not similar to any of the foregoing. In the event that it is impracticable for such U.K. Loan to be made for any reason on the date otherwise required above, then each U.K. Bank hereby agrees that it shall forthwith purchase (as of the date such U.K. Loan would have been made, but adjusted for any payments received from the U.K. Borrowers on or after such date and prior to such purchase) from the U.K. Swing Line Lender, and the U.K. Swing Line Lender shall sell to each U.K. Bank, such participations in the U.K. Swing Line Loans (including all accrued and unpaid interest thereon) outstanding as shall be necessary to cause the U.K. Banks to share in such U.K. Swing Line Loans pro rata based on their respective U.K. Commitment Percentages (without regard to any termination of the Total U.K. Commitment hereunder) by making available to the U.K. Agent an amount equal to such U.K. Bank's participation in the U.K. Swing Line Loans. No such funding or risk participations shall relieve or otherwise impair the obligation of the U.K. Borrowers to repay U.K. Swing Line Loans, together with interest as provided herein.

Until a Bank funds its U.K. LIBOR Rate Loan or EURIBOR Rate Loan (as applicable) or risk participation pursuant to this §2.13(e) to refinance such Bank's U.K. Commitment Percentage of any U.K. Swing Line Loan, interest in respect of such pro rata share shall be solely for the account of the U.K. Swing Line Lender. The U.K. Swing Line Lender shall be responsible for invoicing the U.K. Borrowers for interest on the U.K. Swing Line Loans. The U.K. Borrowers shall make all payments of principal and interest in respect of the U.K. Swing Line Loans directly to the U.K. Swing Line Lender.

If any U.K. Bank fails to make available to the U.K. Agent for the account of the U.K. Swing Line Lender any amount required to be paid by such U.K. Bank pursuant to the foregoing provisions of this §2.13(e), the U.K. Agent for the account of the U.K. Swing Line Lender shall be entitled to recover from such U.K. Bank, on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the U.K. Agent at a rate per annum equal to the applicable Overnight Rate from time to time in effect, plus any administrative, processing or similar fees customarily charged by the U.K. Agent in connection with the foregoing. If such U.K. Bank pays such amount (with interest and fees as aforesaid), the amount so paid (less all such aforementioned interest and fees incurred by such U.K. Bank as a result of its failure to pay the required amounts to the U.K. Agent for the account of the U.K. Swing Line Lender) shall constitute such U.K. Bank's U.K. LIBOR Rate Loan or EURIBOR Rate Loan (as applicable) included in the relevant U.K. LIBOR Rate Loan or EURIBOR Rate Loan (as applicable) borrowing or funded participation in the relevant U.K. Swing Line Loan, as the case may be. A certificate of the U.K. Agent submitted to any U.K. Bank with respect to any amounts owing under this §2.13(e) shall be conclusive absent manifest error.

(f) The U.K. Swing Line Note. The obligation of the U.K. Borrowers to repay the U.K. Swing Line Loans made pursuant to this Agreement and to pay interest thereon as set forth in this Agreement may be evidenced by a promissory note of the U.K. Borrowers with appropriate insertions substantially in the form of Exhibit A-6 attached hereto (the “U.K. Swing Line Note”), dated the Closing Date and payable to the U.K. Swing Line Lender in a principal amount stated to be the lesser of (i) \$50,000,000, or (ii) the aggregate principal amount of Swing Line Loans at any time advanced by the U.K. Swing Line Lender and outstanding thereunder. Upon the request of the U.K. Swing Line Lender to the U.K. Borrowers, the U.K. Borrowers shall execute and deliver to the U.K. Swing Line Lender a U.K. Swing Line Note. The U.K. Borrowers irrevocably authorize the U.K. Swing Line Lender to make or cause to be made, at or about the time of the Drawdown Date of any U.K. Swing Line Loan or at the time of receipt of any payment of principal on the U.K. Swing Line Note, an appropriate notation on the grid attached to such Note or the U.K. Swing Line Lender’s records reflecting the making of such U.K. Swing Line Loan or (as the case may be) the receipt of such payment. The Outstanding Amount of the U.K. Swing Line Loans set forth on such grid or such records shall be prima facie evidence of the principal amount thereof owing and unpaid to the U.K. Swing Line Lender, but the failure to record, or any error in so recording, any such amount on such Note or such records shall not limit or otherwise affect the actual amount of the obligations of the U.K. Borrowers hereunder or under the U.K. Swing Line Note to make payments of principal of or interest on the U.K. Swing Line Note when due.

(g) Repayment of Participations.

(i) At any time after any U.K. Bank has purchased and funded a risk participation in a U.K. Swing Line Loan, if the U.K. Swing Line Lender receives any payment on account of such U.K. Swing Line Loan, the U.K. Swing Line Lender (which may be through the U.K. Agent) will distribute to such U.K. Bank its pro rata share thereof based on such Bank’s U.K. Commitment Percentage in the same funds as those received by the U.K. Swing Line Lender.

(ii) If any payment received by the U.K. Swing Line Lender in respect of principal or interest on any U.K. Swing Line Loan is required to be returned by the U.K. Swing Line Lender under any of the circumstances described in §15A (including pursuant to any settlement entered into by the U.K. Swing Line Lender in its discretion), each U.K. Bank shall pay to the U.K. Swing Line Lender its pro rata share thereof based on such U.K. Bank’s U.K. Commitment Percentage on demand of the U.K. Swing Line Lender, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the applicable Overnight Rate. The obligations of the U.K. Banks under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

§2.14. The Canadian Swing Line.

(a) The Canadian Swing Line Loans. Subject to the terms and conditions hereinafter set forth, upon notice by the Canadian Borrowers to the Canadian Swing Line Lender in accordance with this §2.14, the Canadian Swing Line Lender agrees to make

loans to the Canadian Borrowers (the “Canadian Swing Line Loans”) in Dollars or Canadian Dollars on any Business Day prior to the Maturity Date in an aggregate principal amount not to exceed \$50,000,000 (or the Canadian Dollar Equivalent thereof) at any one time outstanding. Each Canadian Swing Line Loan shall be in a minimum amount equal to \$500,000 (or the Canadian Dollar Equivalent thereof); provided that there shall be no minimum amount for any Canadian Swing Line Loan which is advanced in order to fund an overdraft in the Canadian Borrowers’ Canadian Dollar accounts maintained with Canadian Swing Line Lender (as provided in §2.14(b) hereof). Notwithstanding any other provisions of this Agreement and in addition to the limit set forth above, at no time shall the aggregate Outstanding Amount of all Canadian Swing Line Loans exceed (i) the Total Canadian Commitment then in effect minus (ii) the sum of (A) the aggregate Outstanding Amount of all Canadian Loans denominated in U.S. Dollars, plus (B) the Outstanding Amount of all Canadian Loans denominated in Canadian Dollars, plus (C) the Outstanding Amount of Bankers’ Acceptances; provided, that the Canadian Borrowers shall not use the proceeds of any Canadian Swing Line Loan to refinance any outstanding Canadian Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, the Canadian Borrowers may borrow under this §2.14, prepay or repay under §2.11, and reborrow under this §2.14. Each Canadian Swing Line Loan shall be a Canadian Base Rate Loan. Immediately upon the making of a Canadian Swing Line Loan, each Canadian Bank shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Canadian Swing Line Lender a risk participation in such Canadian Swing Line Loan in an amount equal to the product of such Canadian Bank’s Canadian Commitment Percentage times the amount of such Canadian Swing Line Loan. Notwithstanding the foregoing, the Canadian Swing Line Lender shall not be under any obligation to advance any Canadian Swing Line Loan if any Bank is at such time a Defaulting Bank unless Cash Collateral is provided to the Canadian Swing Line Lender as set forth in §2.15. Any Cash Collateral provided under this Section shall be held and released pursuant to the terms and provisions of such §2.15.

(b) Notice of Borrowing. When the Canadian Borrowers desire the Canadian Swing Line Lender to make a Canadian Swing Line Loan, they shall send to the Canadian Swing Line Lender written notice appropriately completed and signed by a Responsible Officer of the Canadian Borrowers in the form of Exhibit G-3 hereto (or telephonic notice confirmed in a writing in the form of Exhibit G-3 hereto) or such other form as may be approved by the Canadian Swing Line Lender (including any form on an electronic platform or electronic transmission system as shall be approved by the Canadian Swing Line Lender) of each Canadian Swing Line Loan requested hereunder (a “Canadian Swing Line Loan Request”) not later than 2:00 p.m. (Toronto time) on the proposed Drawdown Date of any Canadian Swing Line Loan. Each such Canadian Swing Line Loan Request shall set forth the principal amount of the proposed Canadian Swing Line Loan, the currency in which such Canadian Swing Line Loan shall be made and the Swing Line Loan Maturity Date relating to such Canadian Swing Line Loan, which shall in no event be later than the Maturity Date. In addition, in the event that the Canadian Borrowers cause an overdraft in the net position of all its Canadian Dollar

accounts maintained with the Canadian Agent, the Canadian Borrowers shall be deemed to have requested a Canadian Swing Line Loan (subject to the terms and conditions set forth in this §2.14 and in §11 and §12, to the extent applicable) in the amount of such overdraft. Each Canadian Swing Line Loan Request shall be irrevocable and binding on the Canadian Borrowers and shall obligate the Canadian Borrowers to borrow the Canadian Swing Line Loan from the Canadian Swing Line Lender on the proposed Drawdown Date thereof. Upon satisfaction of the applicable conditions set forth in this Agreement, on the proposed Drawdown Date the Canadian Swing Line Lender shall make the Canadian Swing Line Loan available to the Canadian Borrowers no later than 3:00 p.m. (Toronto time) on the proposed Drawdown Date by crediting the amount of the Canadian Swing Line Loan to the account specified by the Canadian Borrowers; provided that the Canadian Swing Line Lender shall not advance any Canadian Swing Line Loans after it has received notice from any Bank that a Default or Event of Default has occurred and stating that no new Canadian Swing Line Loans are to be made until such Default or Event of Default has been cured or waived in accordance with the provisions of this Agreement.

(c) Automatic Canadian Base Rate Loan Request. In the event that any Canadian Swing Line Loan Request for a Canadian Swing Line Loan causes the aggregate Outstanding Amount of Canadian Swing Line Loans to exceed \$25,000,000 (or the Canadian Dollar Equivalent thereof) at any time, concurrently with such Canadian Swing Line Loan Request, the Canadian Borrowers shall also submit to the Canadian Agent a Canadian Loan Request for a Canadian Base Rate Loan to be made on the next Business Day in a principal amount equal to the aggregate Outstanding Amount of Canadian Swing Line Loans (provided that if the Canadian Borrowers fail to submit such Canadian Loan Request, the parties agree that each of the Canadian Borrowers shall be deemed to make, and each of the Canadian Borrowers hereby authorizes, an automatic concurrent request for a Canadian Base Rate Loan to be made on the next Business Day in a principal amount equal to the aggregate Outstanding Amount of Canadian Swing Line Loans (or the Canadian Dollar Equivalent thereof)), and the proceeds of such Canadian Base Rate Loan shall be applied as set forth in §2.14(e); provided that (i) the sum of (A) the Outstanding Amount of the Canadian Loans denominated in Dollars, plus (B) the Outstanding Amount of the Canadian Loans denominated in Canadian Dollars, plus (C) the Outstanding Amount of Bankers' Acceptances then outstanding, shall not, at any time and after giving effect to all amounts requested, exceed the Total Canadian Commitment, (ii) the sum of (A) the Outstanding Amount of the Canadian Loans denominated in Dollars owed to a Canadian Bank, plus (B) the Outstanding Amount of the Canadian Loans denominated in Canadian Dollars owed to such Canadian Bank, plus (C) the Outstanding Amount of Bankers' Acceptances purchased by such Canadian Bank, plus (D) the aggregate amount of such Canadian Bank's participation in Canadian Swing Line Loans, shall not, at any time and after giving effect to all amounts requested, exceed such Canadian Bank's Canadian Commitment, and (iii) the Total Outstandings shall not, at any time and after giving effect to all amounts requested, exceed the Total Commitment.

(d) Interest on Canadian Swing Line Loans. Each Canadian Swing Line Loan shall be a Canadian Base Rate Loan and, except as otherwise provided in §6.11 hereof, shall bear interest from the Drawdown Date thereof until repaid in full at the rate per annum equal to the Canadian Prime Rate plus the Applicable Margin on all Swing Line Loans, with respect to each Canadian Swing Line Loan denominated in Canadian Dollars, and the Canadian Base Rate plus the Applicable Margin on all Swing Line Loans with respect to each Canadian Swing Line Loan denominated in U.S. Dollars, which shall be paid on each Interest Payment Date for Canadian Base Rate Loans and on the applicable Swing Line Loan Maturity Date (or, if earlier, on the date of the termination in full of the Total Canadian Commitment).

(e) Repayment of Canadian Swing Line Loans. The Canadian Borrowers shall repay each outstanding Canadian Swing Line Loan on or prior to the Swing Line Loan Maturity Date relating thereto (or, if earlier, on the date of the termination in full of the Total Canadian Commitment); provided that the Canadian Borrowers shall repay the aggregate Outstanding Amount of any Canadian Swing Line Loans at any time in excess of \$25,000,000 with the proceeds of the Canadian Base Rate Loan requested under §2.14(c) (as the case may be), and each of the Canadian Borrowers agrees to apply and each of the Canadian Borrowers hereby authorizes the Canadian Agent and the Canadian Swing Line Lender to apply, such proceeds to the outstanding Canadian Swing Line Loans. Upon notice by the Canadian Swing Line Lender on any Business Day (i) following the Swing Line Loan Maturity Date relating to each Canadian Swing Line Loan or (ii) at the option of the Canadian Swing Line Lender, after the occurrence of an Event of Default, each of the Canadian Banks hereby agrees to make Canadian Loans to the Canadian Borrowers constituting Canadian Base Rate Loans, on the next succeeding Business Day following such notice, in an amount equal to such Bank's Canadian Commitment Percentage of the aggregate Outstanding Amount of all Canadian Swing Line Loans (and the Canadian Agent may apply Cash Collateral available for such purpose with respect to the applicable Swing Line Loan). The proceeds thereof shall be applied directly by the Canadian Agent to repay outstanding Canadian Swing Line Loans and each of the Canadian Borrowers hereby authorizes such application. Each Canadian Bank hereby absolutely, unconditionally and irrevocably agrees to make such Canadian Loans upon one Business Days' notice as set forth above, notwithstanding (A) that the amount of such Canadian Loan may not comply with the applicable minimums set forth herein, (B) the failure of the Canadian Borrowers to meet the applicable conditions set forth in §11 or §12 hereof, (C) the occurrence or continuance of a Default or an Event of Default hereunder, (D) the Total Canadian Commitment in effect at such time, (E) any setoff, counterclaim, recoupment, defense or other right which such Canadian Bank may have against the Canadian Swing Line Lender, the Canadian Borrowers or any other Person for any reason whatsoever or (F) any other occurrence, event or condition, whether or not similar to any of the foregoing. In the event that it is impracticable for such Canadian Loan to be made for any reason on the date otherwise required above, then each Canadian Bank hereby agrees that it shall forthwith purchase (as of the date such Canadian Loan would have been made, but adjusted for any payments received from the Canadian Borrowers on or after such date and prior to such purchase) from the Canadian

Swing Line Lender, and the Canadian Swing Line Lender shall sell to each Canadian Bank, such participations in the Canadian Swing Line Loans (including all accrued and unpaid interest thereon) outstanding as shall be necessary to cause the Canadian Banks to share in such Canadian Swing Line Loans pro rata based on their respective Canadian Commitment Percentages (without regard to any termination of the Total Canadian Commitment hereunder) by making available to the Canadian Agent an amount equal to such Bank's participation in the Canadian Swing Line Loans. No such funding or risk participations shall relieve or otherwise impair the obligation of the Canadian Borrowers to repay Canadian Swing Line Loans, together with interest as provided herein.

Until a Bank funds its Canadian Base Rate Loan or risk participation pursuant to this §2.14(e) to refinance such Bank's Canadian Commitment Percentage of any Canadian Swing Line Loan, interest in respect of such pro rata share shall be solely for the account of the Canadian Swing Line Lender. The Canadian Agent shall be responsible for invoicing the Canadian Borrowers for interest on the Canadian Swing Line Loans. The Canadian Borrowers shall make all payments of principal and interest in respect of the Canadian Swing Line Loans directly to the Canadian Agent.

If any Canadian Bank fails to make available to the Canadian Agent for the account of the Canadian Swing Line Lender any amount required to be paid by such Canadian Bank pursuant to the foregoing provisions of this §2.14(e), the Canadian Agent for the account of the Canadian Swing Line Lender shall be entitled to recover from such Canadian Bank, on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Canadian Agent at a rate per annum equal to the applicable Overnight Rate from time to time in effect, plus any administrative, processing or similar fees customarily charged by the Canadian Agent in connection with the foregoing. If such Canadian Bank pays such amount (with interest and fees as aforesaid), the amount so paid (less all such aforementioned interest and fees incurred by such Canadian Bank as a result of its failure to pay the required amounts to the Canadian Agent for the account of the Canadian Swing Line Lender) shall constitute such Canadian Bank's Canadian Base Rate Loan included in the relevant Canadian Base Rate borrowing or funded participation in the relevant Canadian Swing Line Loan, as the case may be. A certificate of the Canadian Agent submitted to any Canadian Bank with respect to any amounts owing under this §2.14(e) shall be conclusive absent manifest error.

(f) The Canadian Swing Line Note. The obligation of the Canadian Borrowers to repay the Canadian Swing Line Loans made pursuant to this Agreement and to pay interest thereon as set forth in this Agreement may be evidenced by a promissory note of the Canadian Borrowers with appropriate insertions substantially in the form of Exhibit A-7 attached hereto (the "Canadian Swing Line Note"), dated the Closing Date and payable to the Canadian Swing Line Lender in a principal amount stated to be the lesser of (i) \$50,000,000, or (ii) the aggregate principal amount of Canadian Swing Line Loans at any time advanced by the Canadian Swing Line Lender and outstanding thereunder. Upon the request of the Canadian Swing Line Lender to the Canadian Borrowers, the Canadian Borrowers shall execute and deliver to the Canadian Swing Line

Lender a Canadian Swing Line Note. The Canadian Borrowers irrevocably authorize the Canadian Swing Line Lender to make or cause to be made, at or about the time of the Drawdown Date of any Canadian Swing Line Loan or at the time of receipt of any payment of principal on the Canadian Swing Line Note, an appropriate notation on the grid attached to such Note or the Canadian Agent's records reflecting the making of such Canadian Swing Line Loan or (as the case may be) the receipt of such payment. The Outstanding Amount of the Canadian Swing Line Loans set forth on such grid or such records shall be prima facie evidence of the principal amount thereof owing and unpaid to the Canadian Agent, but the failure to record, or any error in so recording, any such amount on such Note or such records shall not limit or otherwise affect the actual amount of the obligations of the Canadian Borrowers hereunder or under the Canadian Swing Line Note to make payments of principal of or interest on the Canadian Swing Line Note when due.

(g) Repayment of Participations.

(i) At any time after any Canadian Bank has purchased and funded a risk participation in a Canadian Swing Line Loan, if the Canadian Swing Line Lender receives any payment on account of such Canadian Swing Line Loan, the Canadian Swing Line Lender (which may be through the Canadian Agent) will distribute to such Canadian Bank its pro rata share thereof based on such Bank's Canadian Commitment Percentage in the same funds as those received by the Canadian Swing Line Lender.

(ii) If any payment received by the Canadian Swing Line Lender in respect of principal or interest on any Canadian Swing Line Loan is required to be returned by the Canadian Swing Line Lender under any of the circumstances described in §15A (including pursuant to any settlement entered into by the Canadian Swing Line Lender in its discretion), each Canadian Bank shall pay to the Canadian Swing Line Lender its pro rata share thereof based on such Bank's Canadian Commitment Percentage on demand of the Canadian Swing Line Lender, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the applicable Overnight Rate. The obligations of the Canadian Banks under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

§2.15. Cash Collateral.

(a) Certain Credit Support Events. Upon the request of the Administrative Agent or the Issuing Bank (i) if the Issuing Bank has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing (pursuant to the terms and conditions of §4.3), or (ii) if, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, Ryder shall, in each case, immediately Cash Collateralize the then Outstanding Amount of all L/C Borrowings and all L/C Obligations, as applicable. At any time that there shall exist a Defaulting Bank, immediately upon the request of an Agent, the Issuing Bank or a Swing Line Lender, the Borrowers shall deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover all Fronting Exposure (after giving effect to §2.16(a)(iv) and any Cash Collateral provided by the Defaulting Bank).

(b) Grant of Security Interest. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America. The applicable Borrowers (other than the U.K. Borrowers), and to the extent provided by any Bank, such Bank, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the Issuing Bank and the Banks (including the Swing Line Lenders, as applicable), and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to §2.15(c). Any Cash Collateral provided by a U.K. Borrower shall be effected pursuant to terms and documentation reasonably acceptable to the U.K. Agent. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than (i) the amount any Borrower is required to provide as Cash Collateral pursuant to §2.15(a) or (ii) the applicable Fronting Exposure and other obligations secured thereby that a Defaulting Bank is required hereunder to Cash Collateralize, the Borrowers or the relevant Defaulting Bank, as applicable, will, promptly upon demand by the Administrative Agent, provide to the Administrative Agent additional Cash Collateral in respect of its obligations to provide such Cash Collateral in an amount sufficient to eliminate such deficiency.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this §2.15 or §2.11, §2.12, §2.13, §2.14, §2.16, §4 or §13.1 in respect of Letters of Credit or Swing Line Loans shall be held and applied to the satisfaction of the specific L/C Obligations, Swing Line Loans, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Bank, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or for other obligations shall be released promptly to the provider of such Cash Collateral as follows: (i)(A) to a Defaulting Bank following the elimination of the applicable Fronting Exposure so secured or elimination of the other obligations giving rise thereto as a result of the termination of such Bank's status as a Defaulting Bank (or, as appropriate, its assignee following compliance with §21.2(f)) and (B) to the applicable Borrower(s) following the elimination of the applicable Fronting Exposure so secured or elimination of the other obligations giving rise thereto, as applicable, including, without limitation, by the termination of Defaulting Bank status of the applicable Bank (or, as appropriate, its assignee following compliance with §21.2(f)), or upon (1) the advance by a Defaulting Bank of its Commitment Percentage of the Base Rate Loan advanced to refinance a Swing Line Loan (it being understood that such Defaulting Bank's advance of such Base Rate Loan shall be applied to refinance the relevant Swing Line Loan) or (2) the funding by a Defaulting Bank of the portion of any

participations in L/C Obligations required to be funded by such Bank, in the case of clauses (i)(B)(1) and (i)(B)(2) of this subsection (d), together with any interest thereon, or (ii) when there exists excess Cash Collateral for the purpose for which it was provided, as determined in good faith by the Administrative Agent (with such excess Cash Collateral to be released as follows in the event that such Borrower(s) and such Defaulting Bank each provided Cash Collateral for such particular purpose: first, to the applicable Borrower(s) up to the amount of Cash Collateral provided by such Borrower(s); and then to the applicable Defaulting Bank); provided, however, (x) that Cash Collateral furnished by or on behalf of a Borrower shall not be released during the continuance of a Default or Event of Default (and following application as provided in this §2.15), and (y) the Person providing Cash Collateral and the Issuing Bank or the applicable Swing Line Lender, as applicable, may all mutually agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

§2.16. Defaulting Banks.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Bank becomes a Defaulting Bank, then, until such time as that Bank is no longer a Defaulting Bank, to the extent permitted by applicable Law:

(i) Waivers and Amendments. That Defaulting Bank's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in §17.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by an Agent hereunder for the account of that Defaulting Bank (whether voluntary or mandatory, at maturity or otherwise, and including any amounts made available to such Agent by that Defaulting Bank pursuant to §2.17 or §14, as applicable), shall be applied at such time or times as may be determined by the Agents as follows: first, to the payment of any amounts owing by that Defaulting Bank to the Agents hereunder; second, to the payment on a pro rata basis of any amounts owing by that Defaulting Bank to the Issuing Bank or the Swing Line Lenders hereunder; third, if so determined by the applicable Agent(s) or requested by the Issuing Bank or the applicable Swing Line Lender, to be held as Cash Collateral for future funding obligations of that Defaulting Bank of any participation in any Swing Line Loan or Letter of Credit; fourth, as Ryder may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Bank has failed to fund its portion thereof as required by this Agreement, as determined by the applicable Agent(s); fifth, if so determined by the applicable Agent and the Borrowers, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Bank to fund Loans under this Agreement; sixth, to the payment of any amounts owing to the Banks, the Issuing Bank or Swing Line Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Bank, the Issuing Bank or any Swing Line Lender against that Defaulting Bank as a result of that Defaulting Bank's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrowers as a result of any judgment of a court of competent jurisdiction obtained by the Borrowers against that Defaulting Bank as a result of that Defaulting Bank's breach of its obligations under this

Agreement; and eighth, to that Defaulting Bank or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which that Defaulting Bank has not fully funded its appropriate share and (y) such Loans or L/C Borrowings were made at a time when the conditions set forth in §12 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Borrowings owed to, all non-Defaulting Banks on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Borrowings owed to, that Defaulting Bank. Any payments, prepayments or other amounts paid or payable to a Defaulting Bank that are applied (or held) to pay amounts owed by a Defaulting Bank or to post Cash Collateral pursuant to this §2.16(a)(ii) shall be deemed paid to and redirected by that Defaulting Bank, and each Bank irrevocably consents hereto.

(iii) Certain Fees. Each Defaulting Bank (A) shall be entitled to receive any Facility Fee pursuant to §2.2 for any period during which that Bank is a Defaulting Bank only to extent allocable to the sum of (1) the Outstanding Amount of the Loans funded by it and (2) its applicable Commitment Percentage of the stated amount of Letters of Credit and Swing Line Loans for which it has provided Cash Collateral pursuant to §2.12, §2.13, §2.14, §2.15, §2.16(a)(ii) or §4, as applicable (and, with respect to all or any part of the Commitment Percentage that has not been Cash Collateralized by such Defaulting Bank, the applicable Borrowers shall (x) instead be required to pay to each of the Issuing Bank and the applicable Swing Line Lenders, as applicable, the amount of such fee allocable to it in accordance with the percentage of such Defaulting Bank's participation obligation that has been reallocated to it and (y) not be required to pay the remaining amount of such fee that otherwise would have been required to have been paid to that Defaulting Bank in respect of the Fronting Exposure arising from that Defaulting Bank), and (B) shall be limited in its right to receive Letter of Credit Fees as provided in §4.9.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. During any period in which there is a Defaulting Bank, for purposes of computing the amount of the obligation of each non-Defaulting Bank to acquire, refinance or fund participations in Letters of Credit or applicable Swing Line Loans pursuant to §2.12, §2.13, §2.14 and §4, as applicable, the "Commitment Percentage" of each non-Defaulting Bank shall be computed without giving effect to the Commitment of that Defaulting Bank; provided, that, (A) each such reallocation shall be given effect only if, at the date the applicable Bank becomes a Defaulting Bank, no Default or Event of Default exists; and (B) the aggregate obligation of each non-Defaulting Bank to acquire, refinance or fund participations in Letters of Credit and the applicable Swing Line Loans shall not exceed the positive difference, if any, of (1) the Commitment of that non-Defaulting Bank minus (2) the aggregate Outstanding Amount of the Loans of that Bank. Subject to §34, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Bank arising from that Bank having become a Defaulting Bank, including any claim of a non-Defaulting Bank as a result of such non-Defaulting Bank's increased exposure following such reallocation.

(b) Defaulting Bank Cure. If Ryder, the applicable Agents, the applicable Swing Line Lenders and the Issuing Bank, if applicable, agree in writing in their sole discretion that a Defaulting Bank should no longer be deemed to be a Defaulting Bank, the applicable Agent will so notify the parties hereto, whereupon as of the effective date

specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Bank will, to the extent applicable, purchase that portion of outstanding Loans of the other Banks or take such other actions as the applicable Agents may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and applicable Swing Line Loans to be held on a pro rata basis by the Banks in accordance with their Commitment Percentages (without giving effect to §2.16(a)(iv)), whereupon that Bank will cease to be a Defaulting Bank; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the applicable Borrower while that Bank was a Defaulting Bank; provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Bank to Bank will constitute a waiver or release of any claim of any party hereunder arising from that Bank's having been a Defaulting Bank.

§2.17. Sharing of Payments by Banks. Except to the extent set forth in §14 with regard to Defaulting Banks, if any Bank shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, or the participations in L/C Obligations or in Swing Line Loans held by it resulting in such Bank's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Bank receiving such greater proportion shall (a) notify the applicable Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations and Swing Line Loans of the other Banks, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Banks ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided that: (i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and (ii) the provisions of this Section shall not be construed to apply to (A) any payment made by or on behalf of any Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Bank), (B) the application of Cash Collateral provided for in §2.15, or (C) any payment obtained by a Bank as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than an assignment to the Borrowers or any Affiliate thereof (as to which the provisions of this Section shall apply). Each of the Borrowers consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Bank acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Bank were a direct creditor of such Borrower in the amount of such participation.

§2.18. Lending Offices. Without limiting the obligations of any Bank or any Borrower under §6.2 hereof, each Bank may fund any Loan, each Canadian Bank may accept or purchase any Bankers' Acceptance and the Issuing Bank may issue, amend, extend or renew any Letter of

Credit, in each case, through any Lending Office (as hereinafter defined); provided that the exercise of this option shall not affect the obligation of any Borrower to repay any Obligation in accordance with the terms of this Agreement. As used herein, “Lending Office” means, as to any Bank or the Issuing Bank, the office or offices of such Bank or the Issuing Bank described as such in such Bank’s Administrative Questionnaire (or, in the case of the Issuing Bank, the Administrative Questionnaire of the Bank acting as the Issuing Bank), or such other office or offices as a Bank or the Issuing Bank may from time to time notify Ryder and the Agents, which office may include any Affiliate of such Bank or the Issuing Bank, or any domestic or foreign branch of such Bank, the Issuing Bank or such Affiliate. For purposes of this Agreement, each of Bank of America London and Bank of America Europe Designated Activity Company is a designated Affiliate of Bank of America. Unless the context otherwise requires each reference to a Bank and the Issuing Bank shall include its applicable Lending Office.

§2.19. Extension of Maturity Date.

(a) Requests for Extension. The Borrowers may, by sending an Extension Letter to the Agents (who shall promptly notify the Banks) no earlier than sixty (60) days and no later than forty-five (45) days prior to any anniversary of the Closing Date (each such anniversary of the Closing Date being an “Anniversary Date”), request that each Bank extend such Bank’s then-existing Scheduled Maturity Date (with respect to each Bank, such Bank’s “Current Maturity Date”) for one year; provided, that, no more than two Extension Letters may be submitted by the Borrowers during the term of this Agreement.

(b) Bank Elections to Extend. Each Bank, acting in its sole discretion, shall, by notice to the Agents given promptly after such Bank’s receipt of an Extension Letter and, in any event, no later than thirty (30) days prior to the applicable Anniversary Date (the “Notice Date”), advise the Agents whether such Bank agrees to such extension (each Bank that determines not to so extend its Scheduled Maturity Date being referred to herein as a “NonExtending Bank”); provided, that, any Bank that does not so advise the Agents on or before the applicable Notice Date shall be deemed to be a Non-Extending Bank. For the avoidance of doubt, (i) the election of any Bank to agree to such extension shall not obligate any other Bank to so agree, and (ii) each Non-Extending Bank shall be required to maintain its original Commitments pursuant to the terms and conditions contained herein to and including such Non-Extending Bank’s then-existing Scheduled Maturity Date (without giving effect to such extension).

(c) Notification by Agents. The Agents shall notify the Borrowers of each Bank’s determination under §2.19(b) no later than the date that is twenty-five (25) days prior to the applicable Anniversary Date (or, if such date is not a Business Day, on the next preceding Business Day).

(d) Minimum Extension Requirement. If (and only if) the total of the Commitments of the Banks that have agreed so to extend their Current Maturity Date (each, an “Extending Bank”) shall be more than fifty percent (50%) of the Total Commitments in effect immediately prior to the applicable Anniversary Date, then,

subject to the satisfaction of the conditions set forth in §2.19(f), effective as of the applicable Anniversary Date, the Scheduled Maturity Date of each Extending Bank shall be extended to the date falling one year after the Current Maturity Date of each Extending Bank (except that, if such date is not a Business Day, such Scheduled Maturity Date as so extended shall be the next preceding Business Day).

(e) Replacement of Non-Extending Banks. Subject to the satisfaction of the minimum extension requirement in §2.19(d) and the other conditions to the effectiveness of any such extension set forth in §2.19(f), the Borrowers shall have the right (but not the obligation), in their sole discretion, to, no later than the date that occurs sixty (60) days following the applicable Anniversary Date, elect to replace any Non-Extending Bank by causing such Non-Extending Bank to assign and delegate, without recourse, its interests, rights and obligations as a Bank under this Agreement and the related Loan Documents to one or more existing Banks or Eligible Assignees (provided that (x) the applicable existing Bank or Eligible Assignee agrees to the extension of such Non-Extending Bank's then-existing Scheduled Maturity Date requested by the Borrowers in the applicable Extension Letter, and (y) all accrued interest, fees and other amounts payable to such Non-Extending Bank hereunder and under the other Loan Documents shall be paid to such Non-Extending Bank in connection with such assignment).

(f) Conditions to Effectiveness of Extensions. Notwithstanding the foregoing, the extension of each Extending Bank's then-existing Scheduled Maturity Date pursuant to this §2.19 shall not be effective with respect to any Extending Bank unless, on the applicable Anniversary Date: (i) no Default or Event of Default shall exist or be continuing either prior to or after giving effect thereto, and (ii) the representations and warranties contained in §7.1, §7.2, §7.6(a), §7.9, §7.10, §7.14, §7.17, §7.18 and §7A shall be true at and as of the time of the effective date of such extension, with the same effect as if made at and as of that time (except to the extent of changes resulting from transactions contemplated or permitted by this Agreement and changes occurring in the ordinary course of business which singly or in the aggregate are not materially adverse to the business, assets or financial condition of Ryder and its Consolidated Subsidiaries, taken as a whole, or to the extent that such representations and warranties relate expressly and solely to an earlier date).

(g) Conflicting Provisions. This §2.19 shall supersede any provisions in §2.17 or §17 to the contrary.

§3. BANKERS' ACCEPTANCES.

§3.1. Acceptance and Purchase. Subject to the terms and conditions hereof, each Canadian Bank severally agrees to accept and purchase Bankers' Acceptances drawn upon it by the Canadian Borrowers denominated in Canadian Dollars. The Canadian Borrowers shall notify the Canadian Agent by irrevocable written notice (each a "Bankers' Acceptance Notice") by 11:00 a.m. (Toronto time) within one (1) Canadian Business Day of the date of any borrowing by way of Bankers' Acceptances. Each borrowing by way of Bankers' Acceptances shall be in a minimum aggregate face amount of C\$3,000,000 or an integral multiple of C\$100,000 thereof.

The face amount of each Bankers' Acceptance shall be C\$100,000 or any integral multiple thereof. Each Bankers' Acceptance Notice shall be in the form of Exhibit F. In no event shall (i) the Dollar Equivalent of the aggregate face amount of all outstanding Bankers' Acceptances exceed the remainder of (A) the Total Canadian Commitment minus (B) the sum of (1) the Outstanding Amount of all Canadian Loans denominated in U.S. Dollars, plus (2) the Outstanding Amount of all Canadian Loans denominated in Canadian Dollars, (ii) the sum of (A) the Outstanding Amount of the Canadian Loans denominated in Dollars owed to a Canadian Bank, plus (B) the Outstanding Amount of the Canadian Loans denominated in Canadian Dollars owed to such Canadian Bank, plus (C) the Outstanding Amount of Bankers' Acceptances purchased by such Canadian Bank, plus (D) the aggregate amount of such Canadian Bank's participation in Canadian Swing Line Loans, at any time and after giving effect to all amounts requested, exceed such Canadian Bank's Canadian Commitment, and (iii) the Total Outstandings, at any time and after giving effect to all amounts requested, exceed the Total Commitment.

(a) Term. Each Bankers' Acceptance shall be issued and shall mature on a Canadian Business Day. Each Bankers' Acceptance shall have a term of 1, 2, 3 or 6 months, shall mature no later than five (5) days prior to the Maturity Date, and shall be in form and substance reasonably satisfactory to the Canadian Bank which is accepting such Bankers' Acceptance.

(b) Bankers' Acceptances in Blank. To facilitate the acceptance of Bankers' Acceptances under this Agreement, the Canadian Borrowers shall, upon execution of this Agreement and from time to time as required, provide to the Canadian Agent bills of exchange or depository bills, in form satisfactory to the Canadian Agent, duly executed and endorsed in blank by the Canadian Borrowers in quantities sufficient for each Canadian Bank to fulfill its obligations hereunder. In addition, the Canadian Borrowers hereby appoint each Canadian Bank as its attorney to sign and endorse on its behalf, in handwriting or by facsimile or mechanical signature as and when deemed necessary by such Canadian Bank, blank forms of Bankers' Acceptances. The Canadian Borrowers recognize and agree that all Bankers' Acceptances signed and/or endorsed on its behalf by a Canadian Bank shall bind the Canadian Borrowers as fully and effectually as if signed in the handwriting of and duly issued by the proper signing officers of the Canadian Borrowers. Each Canadian Bank is hereby authorized to issue such Bankers' Acceptances endorsed in blank in such face amounts as may be determined by such Canadian Bank; provided that the aggregate amount thereof is equal to the aggregate amount of Bankers' Acceptances required to be accepted and purchased by such Bank pursuant to clause (d) below. No Canadian Bank shall be responsible or liable for its failure to accept a Bankers' Acceptance if the cause of such failure is, in whole or in part, due to the failure of the Canadian Borrowers to provide duly executed and endorsed bills of exchange or depository bills to the Canadian Agent on a timely basis nor shall any Canadian Bank or the Canadian Agent be liable for any damage, loss or other claim arising by reason of any loss or improper use of any such instrument except loss or improper use arising by reason of the gross negligence or willful misconduct of such Bank or the Canadian Agent, its officers, employees, agents or representatives. Each

Canadian Bank shall maintain a record with respect to Bankers' Acceptances (i) received by it from the Canadian Agent in blank hereunder, (ii) voided by it for any reason, (iii) accepted by it hereunder, (iv) purchased by it hereunder, and (v) cancelled at their respective maturities. Each Canadian Bank further agrees to retain such records in the manner and for the statutory periods provided in the various Canadian provincial or federal statutes and regulations which apply to such Canadian Bank.

(c) Depository Bills. All Bankers' Acceptances accepted by the Canadian Bank issued in the form of a depository bill (as defined in the Depository Bills and Notes Act (Canada) ("DBNA")) shall be deposited with the Canadian Depository for Securities and shall be made payable to CDS & Co. In order to give effect to the foregoing, the Canadian Agent may, acting reasonably, establish and notify the Canadian Borrowers and the other Canadian Banks of any additional procedures, consistent with the terms of this Agreement and the requirements, of the DBNA, as are reasonably necessary to accomplish the parties intention, including, without limitation: (i) inserting a phrase in the drafts held by the Canadian Agent to the effect that the Bankers' Acceptance is issued pursuant to the DBNA; (ii) removing any reference to authentication of a Bankers' Acceptance; and (iii) removing any reference to the bearer of the depository bill.

(d) Execution of Bankers' Acceptances. Bills of exchange or depository bills of the Canadian Borrowers to be accepted as Bankers' Acceptances hereunder shall be duly executed by one or more duly authorized officers on behalf of the Canadian Borrowers. Notwithstanding that any person whose signature appears on any Bankers' Acceptance as a signatory for the Canadian Borrowers may no longer be an authorized signatory for the Canadian Borrowers at the date of issuance of a Bankers' Acceptance, such signature shall nevertheless be valid and sufficient for all purposes as if such authority had remained in force at the time of such issuance and any such Bankers' Acceptance so signed shall be binding on the Canadian Borrowers. As a condition precedent to each Canadian Bank's obligation to accept and, if applicable, purchase Bankers' Acceptances hereunder, each of the Canadian Borrowers hereby agrees to the Power of Attorney Terms – Bankers' Acceptances set out in Annex A hereto and hereby grants to each Canadian Bank a power of attorney on the terms set out in such Annex A; provided that if either of the Canadian Borrowers revoke such power of attorney, the Canadian Banks shall not be entitled to issue Bankers' Acceptances hereunder unless the Canadian Borrowers, the Canadian Agent and all of the Canadian Banks have agreed on amendments to this Agreement which would allow the Canadian Borrowers to again issue Bankers' Acceptances. Any executed drafts or orders to be used as Bankers' Acceptances shall be held in safekeeping with the same degree of care as if they were a Canadian Bank's property.

(e) Issuance of Bankers' Acceptances. Promptly following receipt of a Bankers' Acceptance Notice, the Canadian Agent shall so advise the Canadian Banks of the face amount of each Bankers' Acceptance to be accepted by it and the term thereof. The aggregate face amount of Bankers' Acceptances to be accepted by a Canadian Bank shall be determined by the Canadian Agent by reference to the respective Canadian

Commitments of the Canadian Banks, except that, if the face amount of a Bankers' Acceptance, which would otherwise be accepted by a Canadian Bank, would not be C\$100,000 or an integral multiple thereof, such face amount shall be increased or reduced by the Canadian Agent in its sole and absolute discretion to the nearest integral multiple of C\$100,000.

(f) Acceptance of Bankers' Acceptances. Each Bankers' Acceptance to be accepted by a Canadian Bank shall be accepted at such Bank's office shown on Schedule 1 hereof or as otherwise designated by said Canadian Bank from time to time.

(g) Purchase of Bankers' Acceptances. On the relevant date of borrowing, each Canadian Bank severally agrees to purchase from the Canadian Borrowers, at the face amount thereof discounted by the Applicable BA Discount Rate, any Bankers' Acceptance accepted by it and provide to the Canadian Agent, for the account of the Canadian Borrowers, the BA Discount Proceeds in respect thereof after deducting therefrom the amount of the Acceptance Fee.

(h) Sale of Bankers' Acceptances. Each Canadian Bank may at any time and from time to time hold, sell, rediscount or otherwise dispose of any or all Bankers' Acceptances accepted and purchased by it.

(i) Waiver of Presentment and Other Conditions. The Canadian Borrowers waive presentment for payment and any other defense to payment of any amounts due to a Canadian Bank in respect of a Bankers' Acceptance accepted and purchased by such Canadian Bank pursuant to this Agreement which might exist solely by reason of such Bankers' Acceptance being held, at the maturity thereof, by such Bank in its own right. The Canadian Borrowers agree not to claim or require any days of grace or require the Canadian Agent or any Canadian Bank to claim any days of grace if any Canadian Bank as holder sues or otherwise commences legal proceedings for the payment of any Bankers' Acceptance.

§3.2. Refunding Bankers' Acceptances. With respect to each Bankers' Acceptance, the Canadian Borrowers, except during the occurrence and continuation of an Event of Default, may give irrevocable telephone or written notice (or such other method of notification as may be agreed upon between the Canadian Agent and the Canadian Borrowers) to the Canadian Agent at or before 11:00 a.m. (Toronto time) within one (1) Canadian Business Day of such maturity date of such Bankers' Acceptance of any Canadian Borrower's intention to issue one or more Bankers' Acceptances on such maturity date (each a "Refunding Bankers' Acceptance") to provide for the payment of such maturing Bankers' Acceptance (it being understood that payments by the Canadian Borrowers and fundings by the Canadian Banks in respect of each maturing Bankers' Acceptance and each related Refunding Bankers' Acceptance shall be made on a net basis reflecting the difference between the face amount of such maturing Bankers' Acceptance and the BA Discount Proceeds (net of the applicable Acceptance Fee) of such Refunding Bankers' Acceptance). Any funding on account of any maturing Bankers' Acceptance must be made at or before 12:00 noon (Toronto time) on the maturity date of such Bankers' Acceptance. If the Canadian Borrowers fail to give such notice, the Canadian

Borrowers shall be irrevocably deemed to have requested and to have been advanced a Canadian Loan bearing interest at the Canadian Prime Rate in the face amount of such maturing Bankers' Acceptance on the maturity date of such maturing Bankers' Acceptance from the Canadian Bank which accepted such maturing Bankers' Acceptance, which Loan shall thereafter bear interest as such in accordance with the provisions hereof and otherwise shall be subject to all provisions of this Agreement applicable to Canadian Loans until paid in full. Notwithstanding anything to the contrary contained herein, the Canadian Borrowers shall not prepay the Outstanding Amount of any Bankers' Acceptance, as a whole or in part, at any time.

§3.3. Acceptance Fee. An acceptance fee (the "Acceptance Fee") shall be payable by the Canadian Borrowers to each Canadian Bank and each Canadian Bank shall deduct the amount of such Acceptance Fee from the BA Discount Proceeds (in the manner specified in §3.1(g) in respect of each Bankers' Acceptance), said fee to be calculated at a rate per annum equal to the Applicable Acceptance Fee Rate calculated on the face amount of such Bankers' Acceptance and computed on the basis of the number of days in the term of such Bankers' Acceptance and a year of 365 days.

§4. LETTERS OF CREDIT.

§4.1. Letter of Credit Commitments.

(a) Commitments to Issue Domestic Letters of Credit.

Subject to the terms and conditions set forth herein, (i) the Issuing Bank agrees, in reliance upon the agreements of the Domestic Banks set forth in this §4, (A) from time to time on any Domestic Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of Ryder and/or any of its domestic Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in each case denominated in Dollars, in accordance with §4.2, and (B) to honor drawings under the Letters of Credit; and (ii) the Domestic Banks severally agree to participate in Letters of Credit issued for the account of Ryder and/or any of its domestic Subsidiaries and any drawings thereunder; provided, however, that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (1) the Outstanding Amount of L/C Obligations shall not exceed the Letter of Credit Sublimit, (2) the sum of (x) the Outstanding Amount of L/C Obligations, plus (y) the Outstanding Amount of the Domestic Loans, shall not, at any time and after giving effect to all amounts requested, exceed the Total Domestic Commitment, (3) with respect to any Domestic Bank, the sum of (x) the aggregate amount of such Domestic Bank's participation in L/C Obligations, plus (y) the Outstanding Amount of the Domestic Loans owed to such Domestic Bank, plus (z) the aggregate amount of such Domestic Bank's participation in Domestic Swing Line Loans, shall not, at any time and after giving effect to all amounts requested, exceed such Domestic Bank's Domestic Commitment, and (4) the Total Outstandings shall not, at any time and after giving effect to all amounts requested, exceed the Total Commitment; provided, further, that, after giving effect to all L/C Credit

Extensions, the aggregate Outstanding Amount of all L/C Obligations of any Issuing Bank shall not exceed such Issuing Bank's L/C Commitment. Each request by Ryder and/or any domestic Subsidiary for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by Ryder that the L/C Credit Extension so requested complies with the conditions set forth in the provisos to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, Ryder's and/or any of its domestic Subsidiaries' ability to obtain Letters of Credit shall be fully revolving, and accordingly Ryder and/or its domestic Subsidiaries may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto and deemed L/C Obligations, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(b) The Issuing Bank shall not issue any Letter of Credit, if:

(i) subject to §4.2(c), the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Majority Banks have approved such expiry date; or

(ii) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Banks have approved such expiry date.

(c) The Issuing Bank shall not be under any obligation to issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Bank from issuing such Letter of Credit, or Laws applicable to the Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose on the Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Bank in good faith deems material to it (it being understood that if the Issuing Bank determines not to issue a Letter of Credit as a result of events or circumstances giving rise to unreimbursed losses, costs or expenses, the Issuing Bank shall promptly notify Ryder and the Administrative Agent of the same, and, in any event, the Borrowers may elect to reimburse such Issuing Bank for such loss, cost or expense, and upon the reimbursement of such loss, cost or expense, the Issuing Bank shall issue such Letter of Credit on the terms and subject to the other conditions set forth herein);

(ii) the issuance of such Letter of Credit would violate any international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities (including the

interpretation or administration thereof by any Governmental Authority) or one or more policies of the Issuing Bank;

(iii) except as otherwise agreed by the Administrative Agent and the Issuing Bank, such Letter of Credit is in an initial face amount less than \$100,000, in the case of a commercial Letter of Credit, or \$100,000, in the case of a standby Letter of Credit;

(iv) such Letter of Credit is to be denominated in a currency other than Dollars;

(v) subject to §4.2(d), such Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder; or

(vi) (A) a default of any Domestic Bank's (other than the Domestic Bank which is the Issuing Bank) obligations to fund under §4.3 exists, (B) any Domestic Bank (other than a Domestic Bank which is the Issuing Bank) has failed to fund any portion of any participations in L/C Obligations required to be funded by it hereunder or (C) any Bank is at such time a Defaulting Bank unless Cash Collateral is provided to the Issuing Bank as set forth in §2.15 (it being understood that any Cash Collateral provided under this Section shall be held and released pursuant to the terms and conditions of such §2.15).

(d) The Issuing Bank shall not amend any Letter of Credit if the Issuing Bank would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof or the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(e) The Issuing Bank shall be under no obligation to amend any Letter of Credit if (i) the Issuing Bank would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (ii) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(f) The Issuing Bank shall act on behalf of the Domestic Banks with respect to any Letters of Credit issued by it and the documents associated therewith, and the Issuing Bank shall have all of the benefits and immunities (i) provided to the Administrative Agent in §16 with respect to any acts taken or omissions suffered by the Issuing Bank in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in §16 included the Issuing Bank with respect to such acts or omissions, and (ii) as additionally provided herein with respect to the Issuing Bank.

§4.2. Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit.

(a) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of Ryder and/or its domestic Subsidiary delivered to the Issuing Bank (with a copy to the Administrative Agent) in the form of a Letter of Credit Application,

appropriately completed and signed by a duly authorized officer of Ryder and/or its domestic Subsidiary. Such Letter of Credit Application must be received by the Issuing Bank and the Administrative Agent not later than 11:00 a.m. (local time for each of the Issuing Bank and the Administrative Agent) at least two Business Days (or such later date and time as the Administrative Agent and the Issuing Bank may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the Issuing Bank: (i) the proposed issuance date of the requested Letter of Credit (which shall be a Domestic Business Day); (ii) the amount thereof; (iii) the expiry date thereof; (iv) the name and address of the beneficiary thereof; (v) the documents to be presented by such beneficiary in case of any drawing thereunder; (vi) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; and (vii) such other matters as the Issuing Bank may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the Issuing Bank: (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Domestic Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the Issuing Bank may reasonably require. Additionally, Ryder shall furnish to the Issuing Bank and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the Issuing Bank or the Administrative Agent may reasonably require.

(b) Promptly after receipt of any Letter of Credit Application, the Issuing Bank will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from Ryder and, if not, the Issuing Bank will provide the Administrative Agent with a copy thereof. Unless the Issuing Bank has received written notice from any Bank, any Agent or any Borrower, at least one Business Day prior to the requested date of issuance or amendment of the relevant Letter of Credit, that one or more applicable conditions contained in §11 and §12 shall not then be satisfied, then, subject to the terms and conditions hereof, the Issuing Bank shall, on the requested date, issue a Letter of Credit for the account of Ryder and/or its domestic Subsidiaries, as the case may be, or enter into the applicable amendment, as the case may be, in each case in accordance with the Issuing Bank's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, the Domestic Banks shall be deemed to, and hereby irrevocably and unconditionally agree to, purchase from the Issuing Bank a risk participation in such Letter of Credit in an amount equal to the product of such Bank's Domestic Commitment Percentage times the amount of such Letter of Credit. The Issuing Bank will provide updated information quarterly to the Domestic Banks with respect to the Letters of Credit outstanding at such time.

(c) If Ryder and/or any of its domestic Subsidiaries so requests in any applicable Letter of Credit Application, the Issuing Bank may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic extension provisions (each,

an “Auto-Extension Letter of Credit”); provided that any such Auto-Extension Letter of Credit must permit the Issuing Bank to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the “Non-Extension Notice Date”) in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the Issuing Bank, Ryder and/or any of its domestic Subsidiaries shall not be required to make a specific request to the Issuing Bank for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Domestic Banks shall be deemed to have authorized (but may not require) the Issuing Bank to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the Issuing Bank shall not permit any such extension if (i) the Issuing Bank has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of §4.1(b) and (c) or otherwise), or (ii) it has received notice (which may be by telephone or in writing) on or before the day that is five Business Days before the Non-Extension Notice Date (A) from the Administrative Agent that the Majority Banks have elected not to permit such extension or (B) from any Agent, any Bank or any Borrower that one or more of the applicable conditions specified in §12 is not then satisfied, and in each such case directing the Issuing Bank not to permit such extension.

(d) If any Letter of Credit contains provisions providing for automatic reinstatement of the stated amount after any drawing thereunder, (i) unless otherwise directed by the Issuing Bank, Ryder and/or any of its domestic Subsidiaries shall not be required to make a specific request to the Issuing Bank to permit such reinstatement, and (ii) the Administrative Agent and the Domestic Banks hereby authorize and direct the Issuing Bank to permit such automatic reinstatement, whether or not a Default then exists, unless the Issuing Bank has received a notice (which may be by telephone or in writing) on or before the day that is two Business Days before the reinstatement date from any Agent, the Majority Banks or any Borrower that one or more of the applicable conditions specified in §12 is not then satisfied and directing the Issuing Bank to cease permitting such automatic reinstatement of such Letter of Credit.

(e) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the Issuing Bank will also deliver to Ryder and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

§4.3. Drawings and Reimbursements; Funding of Participations.

(a) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the Issuing Bank shall notify Ryder and the Administrative Agent thereof not later than 1:00 p.m. (Eastern time) on the date of drawing under such Letter of Credit. Not later than 11:00 a.m. (Eastern time) on the Domestic Business Day next following the later of (i) the date of any payment by the

Issuing Bank under a Letter of Credit (each such date of payment by the Issuing Bank, an “Honor Date”) or (ii) the date that the Issuing Bank provides notice to Ryder of a drawing by the beneficiary under a Letter of Credit, Ryder shall reimburse the Issuing Bank through the Administrative Agent in an amount equal to the amount of such drawing, together with interest thereon at a rate per annum equal to the Domestic Base Rate. If Ryder fails to so reimburse the Issuing Bank by such time, the Administrative Agent shall promptly notify each Domestic Bank of the Honor Date, the amount of the unreimbursed drawing (the “Unreimbursed Amount”), and the amount of such Domestic Bank’s Domestic Commitment Percentage thereof. In such event, Ryder shall be deemed to have requested a Domestic Base Rate Loan to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in §2.7 for the principal amount of Loans, but subject to the amount of the unutilized portion of the Total Domestic Commitment and the conditions set forth in §12 (other than the delivery of a Domestic Loan Request). Any notice given by the Issuing Bank or the Administrative Agent pursuant to this §4.3(a) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(b) Each Domestic Bank (including the Domestic Bank acting as Issuing Bank, if applicable) shall upon any notice pursuant to §4.3(a) make funds available (and the Administrative Agent may apply Cash Collateral, if applicable and to the extent provided for this purpose) for the account of the Issuing Bank at the Administrative Agent’s Head Office in an amount equal to its Domestic Commitment Percentage of the Unreimbursed Amount not later than 1:00 p.m. (local time of the Administrative Agent) on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of §4.3(c), each Domestic Bank that so makes funds available shall be deemed to have made a Domestic Base Rate Loan to Ryder in such amount. The Administrative Agent shall remit the funds so received to the Issuing Bank.

(c) With respect to any Unreimbursed Amount that is not fully refinanced by a Domestic Base Rate Loan pursuant to this §4.3 because the conditions set forth in §12 cannot be satisfied or for any other reason, Ryder shall be deemed to have incurred from the Issuing Bank an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest in accordance with §6.11. In such event, each Domestic Bank’s payment to the Administrative Agent for the account of the Issuing Bank pursuant to §4.3(b) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Bank in satisfaction of its participation obligation under this §4.

(d) Until a Domestic Bank funds its Domestic Base Rate Loan or L/C Advance pursuant to this §4.3 to reimburse the Issuing Bank for any amount drawn under any Letter of Credit, interest in respect of such Domestic Bank’s Domestic Commitment Percentage of such amount shall be solely for the account of the Issuing Bank.

(e) Each Domestic Bank's obligation to make Domestic Base Rate Loans or L/C Advances to reimburse the Issuing Bank for amounts drawn under Letters of Credit, as contemplated by this §4.3, shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any set-off, counterclaim, recoupment, defense or other right which such Bank may have against the Issuing Bank, any Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or Event of Default; or (iii) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Domestic Bank's obligation to make Domestic Base Rate Loans pursuant to this §4.3 is subject to the conditions set forth in §12 (other than delivery by Ryder of a Domestic Loan Request). No such making of an L/C Advance shall relieve or otherwise impair the obligation of Ryder to reimburse the Issuing Bank for the amount of any payment made by the Issuing Bank under any Letter of Credit, together with interest as provided herein.

(f) If any Domestic Bank fails to make available to the Administrative Agent for the account of the Issuing Bank any amount required to be paid by such Bank pursuant to the foregoing provisions of this §4.3 by the time specified in §4.3(b), the Issuing Bank shall be entitled to recover from such Domestic Bank (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Issuing Bank at a rate per annum equal to the applicable Overnight Rate from time to time in effect, plus any administrative, processing or similar fees customarily charged by the Issuing Bank in connection with the foregoing. If such Domestic Bank pays such amount (with interest and fees as aforesaid), the amount so paid (less all such aforementioned interest and fees incurred by such Domestic Bank as a result of its failure to pay the required amounts to the Issuing Bank) shall constitute such Domestic Bank's Loan included in the relevant borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the Issuing Bank submitted to any Domestic Bank (through the Administrative Agent) with respect to any amounts owing under this clause (f) shall be conclusive absent manifest error.

§4.4. Repayment of Participations.

(a) At any time after the Issuing Bank has made a payment under any Letter of Credit and has received from any Domestic Bank such Bank's L/C Advance in respect of such payment in accordance with §4.3, if the Administrative Agent receives for the account of the Issuing Bank any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from Ryder or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Bank its Domestic Commitment Percentage thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Bank's L/C Advance was outstanding) in the same funds as those received by the Administrative Agent.

(b) If any payment received by the Administrative Agent for the account of the Issuing Bank pursuant to §4.3(a) is required to be returned in connection with any proceeding under any Debtor Relief Law or under any of the circumstances described in §15A (in each case, including pursuant to any settlement entered into by the Issuing Bank in its discretion), each Domestic Bank shall pay to the Administrative Agent for the account of the Issuing Bank its Domestic Commitment Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Bank, at a rate per annum equal to the Overnight Rate from time to time in effect. The obligations of such Banks under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

§4.5. Obligations Absolute. The obligation of Ryder to reimburse the Issuing Bank for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(a) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(b) the existence of any claim, counterclaim, set-off, defense or other right that Ryder or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the Issuing Bank or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(c) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(d) any payment by the Issuing Bank under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the Issuing Bank under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(e) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Borrower or any Subsidiary.

Ryder shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with Ryder's instructions or

other irregularity, Ryder will immediately notify the Issuing Bank. Ryder shall be conclusively deemed to have waived any such claim against the Issuing Bank and its correspondents unless such notice is given as aforesaid.

§4.6. Role of Issuing Bank.

Each Domestic Bank and Ryder agrees that, in paying any drawing under a Letter of Credit, the Issuing Bank shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the Issuing Bank, the Administrative Agent nor any of their respective officers, directors, employees, agents or attorneys-in-fact or affiliates, correspondents, participants or assignees of the Issuing Bank or Administrative Agent shall be liable to any Domestic Bank for (a) any action taken or omitted in connection herewith at the request or with the approval of the Domestic Banks or the Majority Banks, as applicable; (b) any action taken or omitted in the absence of gross negligence or willful misconduct; or (c) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Letter of Credit Application. Ryder hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude Ryder's pursuing such rights and remedies as it may have against the beneficiary or transferee at Law or under any other agreement. None of the Issuing Bank, the Administrative Agent nor any of their respective officers, directors, employees, agents or attorneys-in-fact or affiliates, correspondents, participants or assignees of the Issuing Bank or the Administrative Agent, shall be liable or responsible for any of the matters described in clauses (a) through (e) of §4.5; provided, however, that anything in such clauses to the contrary notwithstanding, Ryder may have a claim against the Issuing Bank, and the Issuing Bank may be liable to Ryder, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by Ryder which Ryder proves were caused by the Issuing Bank's willful misconduct or gross negligence or the Issuing Bank's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, and the Issuing Bank shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

§4.7. [Reserved.]

§4.8. Applicability of ISP and UCP. Unless otherwise expressly agreed by the Issuing Bank and Ryder when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), (a) the rules of the ISP shall apply to each standby Letter of Credit, and (b) the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce at the time of issuance shall apply to each commercial Letter of Credit.

§4.9. Letter of Credit Fees. Ryder shall pay to the Administrative Agent, for the account of each Domestic Bank in accordance with its Domestic Commitment Percentage a Letter of Credit fee (the “Letter of Credit Fee”) for each Letter of Credit issued for Ryder’s or any of its domestic Subsidiaries’ account equal to the Applicable Margin on all Letter of Credit Fees times the daily maximum amount available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit); provided, however, any Letter of Credit Fees otherwise payable for the account of a Defaulting Bank with respect to any Letter of Credit as to which such Defaulting Bank has not provided Cash Collateral satisfactory to the Issuing Bank pursuant to this §4 shall be payable, to the maximum extent permitted by applicable Law, to the other Banks in accordance with the upward adjustments in their respective Commitment Percentages allocable to such Letter of Credit pursuant to §2.16(a)(iv), with the balance of such fee, if any, payable to the Issuing Bank for its own account. Letter of Credit Fees shall be (a) computed on a quarterly basis in arrears and (b) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. If there is any change in the Applicable Margin on all Letter of Credit Fees during any quarter, the daily maximum amount of each Letter of Credit shall be computed and multiplied by the Applicable Margin on all Letter of Credit Fees separately for each period during such quarter that such Applicable Margin on all Letter of Credit Fees was in effect. Notwithstanding anything to the contrary contained herein, while any Event of Default exists and subject to the request of the Majority Banks (other than with respect to an Event of Default under §13.1(a) (regarding the payment of principal), §13.1(g) or §13.1(h), in each case which shall not require the request of the Majority Banks), all Letter of Credit Fees shall accrue at a rate equal to the sum of the Applicable Margin on all Letter of Credit Fees plus 2% per annum.

§4.10. Fronting Fee and Documentary and Processing Charges Payable to Issuing Bank. Ryder shall pay directly to the Issuing Bank for its own account a fronting fee with respect to each Letter of Credit issued for Ryder’s or any of its domestic Subsidiaries’ account at the per annum rate of 0.125% payable on the actual daily maximum amount available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit). Such fronting fee shall be computed on a quarterly basis in arrears. Such fronting fee shall be due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. In addition, Ryder shall pay directly to the Issuing Bank for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the Issuing Bank relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

§4.11. Conflict with Issuing Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

§4.12. Letters of Credit Issued for Domestic Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account

of, any of Ryder's domestic Subsidiaries, Ryder shall be obligated to reimburse the Issuing Bank hereunder for any and all drawings under such Letter of Credit. Ryder hereby acknowledges that the issuance of Letters of Credit for the account of its domestic Subsidiaries inures to the benefit of Ryder, and that Ryder's business derives substantial benefits from the businesses of such domestic Subsidiaries.

§4.13. Acknowledgment of Multiple Issuing Banks; Letter of Credit Reports to the Administrative Agent.

(a) Each of the parties to this Agreement acknowledges that one or more Issuing Banks may issue or amend Letters of Credit as set forth in this §4 and each reference to Issuing Bank herein shall refer to the applicable Issuing Bank with respect to the Letters of Credit issued by such Issuing Bank and, as the context may require, all Issuing Banks.

(b) Unless otherwise agreed by the Administrative Agent, each Issuing Bank shall, in addition to its notification obligations set forth elsewhere in this §4, provide the Administrative Agent with a report setting forth the following: (i) reasonably prior to the time that such Issuing Bank issues, amends, renews, increases or extends a Letter of Credit, the date of such issuance, amendment, renewal, increase or extension and the stated amount of the applicable Letters of Credit after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed); (ii) on each Domestic Business Day on which such Issuing Bank makes a payment pursuant to a Letter of Credit, the date and amount of such payment; (iii) on any Domestic Business Day on which Ryder fails to reimburse a payment made pursuant to a Letter of Credit required to be reimbursed to such Issuing Bank on such day, the date of such failure and the amount of such payment; and (iv) on any other Domestic Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such Issuing Bank. Additionally, for so long as any Letter of Credit issued by such Issuing Bank is outstanding, such Issuing Bank shall deliver to the Administrative Agent on the last Domestic Business Day of each calendar month, a report setting forth such information with respect to each Letter of Credit issued by such Issuing Bank as the Administrative Agent shall reasonably request.

§5. GUARANTY.

§5.1. Guaranty of Payment. Ryder hereby irrevocably guarantees to the Agents, the Issuing Bank and the Banks, the full and punctual payment when due (whether at stated maturity, by required pre-payment, by acceleration or otherwise) of all of the Obligations of Ryder PR, each of the Canadian Borrowers, each of the U.K. Borrowers and each of Ryder's domestic Subsidiaries, including, without limitation, the principal and interest accruing on the Canadian Loans, the obligations with respect to Bankers' Acceptances, the U.K. Loans, the PR Loans, the obligations with respect to the Letters of Credit and the L/C Obligations and all such Obligations which would become due but for the operation of the automatic stay pursuant to §362(a) of the Bankruptcy Code of the United States or any similar provision of any other bankruptcy or insolvency law and the operation of §§502(b) and 506(b) of the Bankruptcy Code of the United States or any similar provision of any other bankruptcy or insolvency law (all such obligations of

Ryder PR, the Canadian Borrowers, the U.K. Borrowers and each of Ryder's domestic Subsidiaries being referred to herein as the "Guaranteed Obligations"). This Guaranty is an absolute, unconditional and continuing guaranty of the full and punctual payment of all of the Guaranteed Obligations and not of their collectability only and is in no way conditioned upon any requirement that any Agent, the Issuing Bank or any Bank first attempt to collect any of the Guaranteed Obligations from Ryder PR, either of the Canadian Borrowers, either of the U.K. Borrowers, any of Ryder's domestic Subsidiaries or any other Person or resort to any collateral security or other means of obtaining payment. Should an Event of Default occur as a result of a default by Ryder PR, either of the Canadian Borrowers, either of the U.K. Borrowers or any of Ryder's domestic Subsidiaries in the payment of any of the Guaranteed Obligations, the Obligations of Ryder hereunder with respect to such Guaranteed Obligations in default shall, upon demand by the applicable Agent(s), become immediately due and payable to the applicable Agent(s), for the benefit of the Banks, the Issuing Bank and the Agents, without demand or notice of any nature, all of which are expressly waived by Ryder. Payments by Ryder hereunder may be required by the Agents on any number of occasions. All payments by Ryder hereunder shall be made to the applicable Agent(s), in the manner and at the place of payment specified therefor in §6.1 hereof, for the account of the Banks, the Issuing Bank and the Agents.

§5.2. Ryder's Agreement to Pay Enforcement Costs, etc. Ryder further agrees, as the principal obligor and not as a guarantor only, to pay to the applicable Agents, on demand, all reasonable costs and expenses (including court costs and legal expenses) incurred or expended by any Agent, the Issuing Bank or any Bank in connection with the Guaranteed Obligations, this Guaranty and the enforcement thereof, together with interest on amounts recoverable under this §5.2 from the time when such amounts become due until payment, whether before or after judgment, at the rate of interest for overdue principal set forth in §6.11 hereof; provided that if such interest exceeds the maximum amount permitted to be paid under applicable Law, then such interest shall be reduced to such maximum permitted amount.

§5.3. Waivers by Ryder: Banks' Freedom to Act. Ryder agrees that the Guaranteed Obligations will be paid strictly in accordance with their respective terms, regardless of any Law or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Agents, the Issuing Bank or any Bank with respect thereto. Ryder waives promptness, diligence, presentment, demand, protest, notice of acceptance, notice of any Guaranteed Obligations incurred and all other notices of any kind, all defenses which may be available by virtue of any valuation, stay, moratorium law or other similar law now or hereafter in effect, any right to require the marshalling of assets of Ryder PR, either of the Canadian Borrowers, either of the U.K. Borrowers, any of Ryder's domestic Subsidiaries or any other entity or other Person primarily or secondarily liable with respect to any of the Guaranteed Obligations, and all suretyship defenses generally. Without limiting the generality of the foregoing, Ryder agrees to the provisions of any instrument evidencing, securing or otherwise executed in connection with any Guaranteed Obligation and agrees that the Guaranteed Obligations of Ryder hereunder shall not be released or discharged, in whole or in part, or otherwise affected by (i) the failure of the Agents, the Issuing Bank or any Bank to assert any claim or demand or to enforce any right or remedy against Ryder PR, either of the Canadian Borrowers, either of the U.K. Borrowers, any of Ryder's domestic Subsidiaries or any other entity or other person primarily or secondarily

liable with respect to any of the Guaranteed Obligations; (ii) any extensions, compromise, refinancing, consolidation or renewals of any Guaranteed Obligation; (iii) any change in the time, place or manner of payment of any of the Guaranteed Obligations or any rescissions, waivers, compromise, refinancing, consolidation or other amendments or modifications of any of the terms or provisions of this Agreement, the other Loan Documents or any other agreement evidencing, securing or otherwise executed in connection with any of the Guaranteed Obligations; (iv) the addition, substitution or release of any entity or other person primarily or secondarily liable for any Guaranteed Obligation; (v) the adequacy of any rights which the Agents, the Issuing Bank or any Bank may have against any collateral security or other means of obtaining repayment of any of the Guaranteed Obligations; (vi) the impairment of any collateral securing any of the Guaranteed Obligations, including without limitation the failure to perfect or preserve any rights which the Agents, the Issuing Bank or any Bank might have in such collateral security or the substitution, exchange, surrender, release, loss or destruction of any such collateral security; or (vii) any other act or omission which might in any manner or to any extent vary the risk of Ryder or otherwise operate as a release or discharge of Ryder (other than the indefeasible payment in full, in cash, of all of the Guaranteed Obligations and the irrevocable termination of each of the Commitments), all of which may be done without notice to Ryder. To the fullest extent permitted by Law, Ryder hereby expressly waives any and all rights or defenses arising by reason of (A) any “one action” or “anti-deficiency” law which would otherwise prevent the Agents, the Issuing Bank or any Bank from bringing any action, including any claim for a deficiency, or exercising any other right or remedy (including any right of set-off), against Ryder before or after the Agent’s, the Issuing Bank’s or such Bank’s commencement or completion of any foreclosure action, whether judicially, by exercise of power of sale or otherwise, or (B) any other Law which in any other way would otherwise require any election of remedies by the Agents, the Issuing Bank or any Bank.

§5.4. Unenforceability of Guaranteed Obligations. If for any reason Ryder PR, either of the Canadian Borrowers, either of the U.K. Borrowers, or any applicable domestic Subsidiary of Ryder has no legal existence or is under no legal obligation to discharge any of the Guaranteed Obligations, or if any of the Guaranteed Obligations have become irrecoverable from Ryder PR, either of the Canadian Borrowers, either of the U.K. Borrowers or such domestic Subsidiary by reason of such Person’s insolvency, bankruptcy or reorganization or by other operation of law or for any other reason (other than the indefeasible payment in full, in cash, of all of the Guaranteed Obligations and the irrevocable termination of each of the Commitments), to the extent permitted by Law, this Guaranty shall nevertheless be binding on Ryder to the same extent as if Ryder at all times had been the principal obligor on all such Guaranteed Obligations. In the event that acceleration of the time for payment of any of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of Ryder PR, either of the Canadian Borrowers, either of the U.K. Borrowers or any of Ryder’s domestic Subsidiaries, or for any other reason, all such amounts otherwise subject to acceleration under the terms of this Agreement, the other Loan Documents or any other agreement evidencing, securing or otherwise executed in connection with any Obligation shall be immediately due and payable by Ryder.

§5.5. Subrogation; Subordination.

§5.5.1. Postponement of Rights. Until the final payment in full in cash of all of the Guaranteed Obligations: Ryder shall not exercise and hereby waives any rights against Ryder PR, either of the Canadian Borrowers, either of the U.K. Borrowers, or any of its domestic Subsidiaries arising as a result of payment by Ryder hereunder, by way of subrogation, reimbursement, restitution, contribution or otherwise, and will not prove any claim in competition with the Agents, the Issuing Bank or any Bank in respect of any payment hereunder in any bankruptcy, insolvency or reorganization case or proceedings of any nature; Ryder will not claim any setoff, recoupment or counterclaim against Ryder PR, either of the Canadian Borrowers, either of the U.K. Borrowers or any of its domestic Subsidiaries in respect of any liability of Ryder to Ryder PR, either of the Canadian Borrowers, either of the U.K. Borrowers or any such domestic Subsidiary; and Ryder waives any benefit of and any right to participate in any collateral security which may be held by the Agents, the Issuing Bank or any Bank.

§5.5.2. Subordination. The payment of any amounts due with respect to any indebtedness of Ryder PR, either of the Canadian Borrowers, either of the U.K. Borrowers or any of Ryder's domestic Subsidiaries for money borrowed or credit received now or hereafter owed to Ryder is hereby subordinated to the prior final payment in full in cash of all of the Guaranteed Obligations; provided that, so long as no Event of Default has occurred and is continuing, Ryder PR, the Canadian Borrowers, the U.K. Borrowers or such domestic Subsidiaries may pay, and Ryder may receive, such payment. Ryder agrees that, after the occurrence of any Event of Default, Ryder will not demand, sue for or otherwise attempt to collect any such indebtedness of Ryder PR, the Canadian Borrowers, the U.K. Borrowers or Ryder's domestic Subsidiaries to Ryder until all of the Guaranteed Obligations shall have been irrevocably paid in full in cash. If, notwithstanding the foregoing sentence, Ryder shall collect, enforce or receive any amounts in respect of such indebtedness while any Guaranteed Obligations are still outstanding, such amounts shall be collected, enforced and received by Ryder as trustee for the Banks, the Issuing Bank and the Agents and be paid over to the Agents, for the benefit of the Banks, the Issuing Bank and the Agents, on account of the Guaranteed Obligations without affecting in any manner the liability of Ryder under the other provisions of this Guaranty.

§5.5.3. Provisions Supplemental. The provisions of this §5.5 shall be supplemental to and not in derogation of any rights and remedies of the Banks, the Issuing Bank and the Agents under any separate subordination agreement which the Agents or any of them may at any time and from time to time enter into with Ryder for the benefit of the Banks, the Issuing Bank and the Agents.

§5.6. Further Assurances. Ryder agrees that it will from time to time, at the request of the Agents, do all such things and execute all such documents as the Agents may reasonably consider necessary or desirable to give full effect to this Guaranty and to perfect and preserve the

rights and powers of the Banks, the Issuing Bank and the Agents hereunder. Ryder acknowledges and confirms that it has established its own adequate means of obtaining from Ryder PR, each of the Canadian Borrowers, each of the U.K. Borrowers and each of its domestic Subsidiaries on a continuing basis all information desired by it concerning the financial condition of such Persons and that it will look to such Persons and not to the Agents, the Issuing Bank or any Bank in order for it to keep adequately informed of changes in any of such Person's financial condition.

§5.7. Reinstatement. Notwithstanding any termination of this Guaranty upon the final and indefeasible payment in full, in cash, of the Guaranteed Obligations, this Guaranty shall continue to be effective or be reinstated, if at any time any payment made or value received with respect to any Obligation is rescinded or must otherwise be returned by the Agents, the Issuing Bank or any Bank upon the insolvency, bankruptcy or reorganization of Ryder PR, either of the Canadian Borrowers, either of the U.K. Borrower or any applicable domestic Subsidiary of Ryder, or otherwise, all as though such payment had not been made or value received.

§5.8. Successors and Assigns. This Guaranty shall be binding upon Ryder, its successors and assigns, and shall inure to the benefit of the Agents, the Issuing Bank and the Banks and their respective successors, transferees and assigns. Without limiting the generality of the foregoing sentence, each Bank may, in accordance with the provisions of §21 and subject to the limitations set forth therein, assign or otherwise transfer this Agreement, the other Loan Documents or any other agreement or note held by it evidencing, securing or otherwise executed in connection with the Guaranteed Obligations, or sell participations in any interest therein, to any other entity or other person, and such other entity or other person shall thereupon become vested, to the extent set forth in the agreement evidencing such assignment, transfer or participation, with all the rights in respect thereof granted to such Bank herein. Ryder may not assign any of its Guaranteed Obligations hereunder.

§5.9. Currency of Payment. Ryder shall pay the Guaranteed Obligations in the currency in which such Obligations were incurred by the applicable Borrower(s) or the applicable domestic Subsidiary.

§5.10. Concerning Joint and Several Liability of the U.K. Borrowers and the Canadian Borrowers.

(a) Each U.K. Borrower hereby irrevocably and unconditionally jointly and severally guarantees to the U.K. Agent and the U.K. Banks the full and punctual payment when due (whether at stated maturity, by required pre-payment, by acceleration or otherwise) of all of the Obligations of the other U.K. Borrower hereunder and under the other Loan Documents in consideration of the financial accommodations to be provided by the Banks, the Agents and the Issuing Bank under this Agreement, for the mutual benefit, directly and indirectly, of each U.K. Borrower and in consideration of the undertakings of the other U.K. Borrower to accept joint and several liability for the Obligations. Each U.K. Borrower agrees that this is an absolute, unconditional and continuing guaranty of the full and punctual payment of all of the Obligations of the other U.K. Borrower hereunder and under the other Loan Documents and not of their

collectability only and is in no way conditioned upon any requirement that the U.K. Agent or any U.K. Bank first attempt to collect any of such Obligations from such U.K. Borrower or resort to any collateral security or other means of obtaining payment. Each U.K. Borrower, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other U.K. Borrower with respect to the payment and performance of all of the Obligations (including, without limitation, any Obligations arising under this §5.10(a)), it being the intention of the parties hereto that all of the Obligations of the U.K. Borrowers shall be the joint and several Obligations of each U.K. Borrower without preferences or distinction among them. Each U.K. Borrower hereby waives all defenses relating to the joint and several liability described above, including, without limitation, all suretyship defenses.

(b) Each Canadian Borrower hereby irrevocably and unconditionally jointly and severally guarantees to the Canadian Agent and the Canadian Banks the full and punctual payment when due (whether at stated maturity, by required pre-payment, by acceleration or otherwise) of all of the Obligations of the other Canadian Borrower hereunder and under the other Loan Documents in consideration of the financial accommodations to be provided by the Banks, the Agents and the Issuing Bank under this Agreement, for the mutual benefit, directly and indirectly, of each Canadian Borrower and in consideration of the undertakings of the other Canadian Borrower to accept joint and several liability for the Obligations. Each Canadian Borrower agrees that this is an absolute, unconditional and continuing guaranty of the full and punctual payment of all of the Obligations of the other Canadian Borrower hereunder and under the other Loan Documents and not of their collectability only and is in no way conditioned upon any requirement that the Canadian Agent or any Canadian Bank first attempt to collect any of such Obligations from such Canadian Borrower or resort to any collateral security or other means of obtaining payment. Each Canadian Borrower, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other Canadian Borrower with respect to the payment and performance of all of the Obligations (including, without limitation, any Obligations arising under this §5.10(b)), it being the intention of the parties hereto that all of the Obligations of the Canadian Borrowers shall be the joint and several Obligations of each Canadian Borrower without preferences or distinction among them. Each Canadian Borrower hereby waives all defenses relating to the joint and several liability described above, including, without limitation, all suretyship defenses.

§6. PROVISIONS RELATING TO ALL LOANS.

§6.1. Funds for Payments. All payments of principal, interest, fees (other than the Acceptance Fee) and any other amounts due hereunder or under any of the other Loan Documents shall be made to the Administrative Agent, the Canadian Agent, the U.K. Agent or any Swing Line Lender (as expressly provided hereunder), as applicable, received at such Agent's Head Office (or, in the case of payments made to any Swing Line Lender (as expressly provided hereunder), to the account specified by such Swing Line Lender) in immediately

available funds, without condition or deduction for any defense, setoff, recoupment, counterclaim or other withholding of any kind (other than any withholding resulting from the failure of a Bank to comply with the provisions of §6.2), by 12:00 noon (local time for such Agent or Swing Line Lender) on any due date. Subject to the provisions of §28, if a payment is received by such Agent or such Swing Line Lender at or before 2:00 p.m. (local time for such Agent or Swing Line Lender) on any Business Day, such Agent or such Swing Line Lender shall on the same Business Day transfer in immediately available funds to (a) each of the Domestic Banks, their pro-rata portion of such payment in accordance with their respective Domestic Commitment Percentages, in the case of payments with respect to Domestic Loans, (b) the Domestic Swing Line Lenders in the case of payments with respect to Domestic Swing Line Loans, (c) each of the Canadian Banks, their pro-rata portion of such payment in accordance with their respective Canadian Commitment Percentages in the case of payments with respect to Canadian Loans and Bankers' Acceptances, except to the extent necessary to reflect Bankers' Acceptances issued on a non-pro-rata basis pursuant to §3.1(e), (d) the Canadian Swing Line Lender with respect to payments of Canadian Swing Line Loans, (e) each of the U.K. Banks, their pro-rata portion of such payment in accordance with their respective U.K. Commitment Percentages in the case of payments with respect to the U.K. Loans, (f) the U.K. Swing Line Lender with respect to payments of U.K. Swing Line Loans, (g) each of the PR Banks, their pro-rata portion of such payment in accordance with their respective PR Commitment Percentages in the case of payments with respect to PR Loans, (h) the Issuing Bank in the case of payments with respect to L/C Obligations payable to the Issuing Bank, and (i) the Domestic Banks, their pro-rata portion of such payment in accordance with their respective applicable Commitment Percentages in the case of payments with respect to L/C Obligations payable to such Domestic Banks. If such payment is received by such Agent after 2:00 p.m. (local time for such Agent or Swing Line Lender) on any Business Day, such transfer shall be made by such Agent or such Swing Line Lender to the applicable Bank(s) on the next Business Day. All such payments received by any Agent or any Swing Line Lender after 2:00 p.m. (local time for such Agent or Swing Line Lender) shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by any Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

§6.2. Status of Banks; Tax Documentation.

(a) (i) Each Bank that may lawfully do so shall deliver to Ryder and to the Administrative Agent, at the time or times prescribed by applicable Laws or when reasonably requested by Ryder or the Administrative Agent, such properly completed and executed documentation prescribed by applicable Laws or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit Ryder or the Administrative Agent, as the case may be, to determine (A) whether or not payments made by the respective Borrowers hereunder or under any other Loan Document are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) such Bank's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to such Bank by the respective Borrowers

pursuant to this Agreement or otherwise to establish such Bank's status for withholding tax purposes in the applicable jurisdictions.

(ii) Without limiting the generality of the foregoing, if a Borrower is resident for tax purposes in the United States,

(A) any such Bank that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to Ryder and the Administrative Agent executed copies of Internal Revenue Service Form W-9 or such other documentation or information prescribed by applicable Laws or reasonably requested by Ryder on behalf of such Borrower or the Administrative Agent as will enable such Borrower or the Administrative Agent, as the case may be, to determine whether or not such Bank is subject to backup withholding or information reporting requirements; and

(B) each such Foreign Bank that is entitled under the Code or any applicable treaty to an exemption from or reduction of withholding tax with respect to payments hereunder or under any other Loan Document shall deliver to Ryder and the Administrative Agent (in such number of copies as shall be reasonably requested by the recipient) on or prior to the date on which such Foreign Bank becomes a Bank under this Agreement (and, to the extent that such Bank may lawfully do so thereafter, from time to time thereafter upon the request of Ryder on behalf of such Borrower or the Administrative Agent, but only if such Foreign Bank is legally entitled to do so), whichever of the following is applicable:

(I) executed copies of Internal Revenue Service Form W-8BEN-E (or W-8BEN, as applicable) claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(II) executed copies of Internal Revenue Service Form W-8ECI,

(III) executed copies of Internal Revenue Service Form W-8IMY and all required supporting documentation,

(IV) in the case of a Foreign Bank claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Bank is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of such Borrower within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) executed copies of Internal Revenue Service Form W-8BEN-E (or W-8BEN, as applicable), or

(V) executed copies of any other form prescribed by applicable Laws as a basis for claiming exemption from or a reduction in United States Federal withholding tax together with such supplementary documentation as may be prescribed by applicable Laws to permit such Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

(iii) Each Bank shall, upon obtaining actual knowledge thereof, promptly (A) notify Ryder and the Administrative Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction, and (B) take such steps as shall not be materially disadvantageous to it, in the reasonable judgment of such Bank, and as may be reasonably necessary (including the re-designation of its lending office) to avoid any requirement of applicable Laws of any jurisdiction that any Borrower or the Administrative Agent make any withholding or deduction for taxes from amounts payable to such Bank.

(iv) Each of the Borrowers shall promptly deliver to the Administrative Agent or any Bank, as the Administrative Agent or such Bank shall reasonably request, on or prior to the Closing Date (or such later date on which it first becomes a Borrower), and in a timely fashion thereafter, such documents and forms required by any relevant taxing authorities under the Laws of any jurisdiction, duly executed and completed by such Borrower, as are required to be furnished by such Bank or the Administrative Agent under such Laws in connection with any payment by the Administrative Agent or any Bank of Taxes or Other Taxes, or otherwise in connection with the Loan Documents, with respect to such jurisdiction.

(b) The Borrowers shall not be required to pay any additional amounts in respect of Domestic Loans to any Foreign Bank in respect of United States Federal withholding tax pursuant to §19 to the extent that (i) the obligation to withhold amounts with respect to United States Federal withholding tax existed on the date such Foreign Bank became a party to this Agreement or, with respect to payments to a different lending office designated by the Foreign Bank as its applicable lending office (a "New Lending Office"), the date such Foreign Bank designated such New Lending Office with respect to a Loan; provided, however, that this clause (i) shall not apply to any transferee or New Lending Office as a result of a Reallocation or an assignment, transfer or designation made at the request of the Borrowers; and provided further, however, that this clause (i) shall not apply to the extent the indemnity payment or additional amounts any transferee, or Bank through a New Lending Office, would be entitled to receive without regard to this clause (i) do not exceed the indemnity payment or additional amounts that the Person making the assignment or transfer to such transferee, or Bank making the designation of such New Lending Office, would have been entitled to receive in the absence of such assignment, transfer or designation; or (ii) the obligation to pay such additional amounts would not have arisen but for a failure by such Foreign Bank (that could lawfully do so) to comply with the provisions of paragraph (a) above.

(c) Notwithstanding the foregoing, each Bank agrees to use reasonable efforts (consistent with legal and regulatory restrictions) to change its lending office to avoid or to minimize any amounts otherwise payable under §19 in each case solely if such change (i) can be made in a manner so that such Bank does not incur any costs or expenses unless the Borrowers have agreed to reimburse such Person therefor and (ii) does not result in any legal or regulatory disadvantage to such Person.

(d) If a payment made to a Bank under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Bank were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Bank shall deliver to Ryder and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Ryder or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Ryder or the Administrative Agent as may be necessary for Ryder and the Administrative Agent to comply with their obligations under FATCA and to determine that such Bank has complied with such Bank's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (d), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(e) For purposes of determining withholding Taxes imposed under the Foreign Account Tax Compliance Act (FATCA), from and after the Closing Date, each of the Borrowers and the Administrative Agent shall treat (and the Banks hereby authorize the Administrative Agent to treat) this Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

§6.3. Currency of Payment. Payments of principal or interest with respect to any Loan or obligation with respect to Bankers' Acceptance or Letters of Credit shall be made in the currency in which such Loan was advanced or in which such Bankers' Acceptance or such Letter of Credit was issued. Notwithstanding the foregoing, the Acceptance Fee shall be payable solely in Canadian Dollars and any and all other fees payable hereunder shall be payable in solely U.S. Dollars unless, with respect to any fees payable by the Canadian Borrowers and the U.K. Borrowers, otherwise agreed to by the Canadian Agent and/or the U.K. Agent respectively.

§6.4. Mandatory Repayments of the Loans. Except as provided in §6.16 hereof, if at any time

(a) the sum of (i) the outstanding L/C Obligations at such time, plus (ii) the outstanding principal amount of the Domestic Loans at such time, exceeds the Total Domestic Commitment then in effect, whether by reduction of the Total Domestic Commitment or otherwise, or

(b) the sum of (i) the outstanding principal amount of the Canadian Loans denominated in U.S. Dollars at such time, plus (ii) the Outstanding Amount of the Canadian Loans denominated in Canadian Dollars at such time, plus (iii) the Outstanding Amount of Bankers' Acceptances at such time, exceeds the Total Canadian Commitment then in effect, whether by reduction of the Total Canadian Commitment or otherwise, or

(c) the sum of (i) the outstanding principal amount of the U.K. Loans denominated in U.S. Dollars at such time, plus (ii) the Outstanding Amount of the U.K. Loans denominated in Sterling at such time, plus (iii) the Outstanding Amount of the U.K. Loans denominated in Euros at such time, exceeds the Total U.K. Commitment then in effect, whether by reduction of the Total U.K. Commitment or otherwise, or

(d) the sum of the outstanding principal amount of the PR Loans at such time exceeds the Total PR Commitment then in effect, whether by reduction of the Total PR Commitment or otherwise,

then the applicable Borrower(s) shall immediately pay the amount of such excess to the Administrative Agent in the case of clauses (a) and (d) above, the Canadian Agent, in the case of clause (b) above, or the U.K. Agent, in the case of clause (c) above, (A) for application to the Loans in the following order: first, pro rata to any Unreimbursed Amounts (including any L/C Borrowings) with respect to the Letters of Credit issued for the account of such Borrower (if applicable), second, pro rata to Domestic Swing Line Loans, Canadian Swing Line Loans, and U.K. Swing Line Loans, and third, pro rata to Domestic Loans (other than Domestic Swing Line Loans), Canadian Loans (other than Canadian Swing Line Loans), U.K. Loans (other than U.K. Swing Line Loans) and PR Loans, subject to §6.10, or (B) if no Loans shall be outstanding, to be held pro rata by the Administrative Agent (in the case of Letters of Credit) and the Canadian Agent (in the case of Bankers' Acceptances) for the benefit of the Issuing Bank or the Domestic Banks (as the case may be) in the case of Letters of Credit and/or the Canadian Banks in the case of Bankers' Acceptances, as applicable, as collateral security for the amount of Bankers' Acceptances and as Cash Collateral for the Letters of Credit; provided, however, that if the amount of Cash Collateral held by the Administrative Agent (in the case of Letters of Credit) and the Canadian Agent (in the case of Bankers' Acceptances) pursuant to this §6.4 exceeds the amount of Bankers' Acceptances and the Letters of Credit, as the case may be, from time to time, the Administrative Agent or the Canadian Agent shall return such excess to Ryder or the Canadian Borrowers, as applicable.

§6.5. Computations.

(a) Except as otherwise expressly provided herein, other than calculations in respect of interest for Domestic Base Rate Loans (which shall be made on the basis of actual number of days elapsed in a 365/366-day year) and for U.K. Loans denominated in Sterling (which shall be made on the basis of a 365-day year), all computations of interest and the Facility Fees shall be based on a 360-day year and paid for the actual number of days elapsed. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid. Whenever a payment hereunder or under any of the other Loan Documents becomes due on a day that is not a Business Day, the due date

for such payment shall be extended to the next succeeding Business Day, and interest shall accrue during such extension; provided that for any Interest Period for any LIBOR Rate Loan if such next succeeding Business Day falls in the next succeeding calendar month or after the Maturity Date, it shall be deemed to end on the next preceding Business Day. Each determination by an Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) For the purposes of the Interest Act (Canada), (i) whenever a rate of interest or fee rate hereunder is calculated on the basis of a year (the “deemed year”) that contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or fee rate shall be expressed as a yearly rate by multiplying such rate of interest or fee rate by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year, (ii) the principle of deemed reinvestment of interest shall not apply to any interest calculation hereunder and (iii) the rates of interest stipulated herein are intended to be nominal rates and not effective rates or yields.

(c) All computations of outstanding Loans, Commitment availability, mandatory prepayments, or other matters hereunder shall be made in U.S. Dollars or Dollar Equivalents.

§6.6. Illegality; Inability to Determine LIBOR Rate, EURIBOR Rate or U.K. Overnight LIBOR Rate; Market Disruption. Notwithstanding any other provision of this Agreement, if:

(a) (i) the introduction of, any change in, or any change in the interpretation of, any Law or regulation applicable to any Bank or any Agent shall make it unlawful, or any central bank or other governmental authority having jurisdiction thereof shall assert that it is unlawful, for any Bank or any such Agent to perform its obligations in respect of any LIBOR Rate Loans, EURIBOR Rate Loans, or U.K. Overnight LIBOR Rate Loans, or (ii) if any Bank or any such Agent, as applicable shall reasonably determine with respect to LIBOR Rate Loans, EURIBOR Rate Loans or U.K. Overnight LIBOR Rate Loans that (A) by reason of circumstances affecting any eurodollar interbank market, adequate and reasonable methods do not exist for ascertaining the LIBOR Rate, EURIBOR Rate and/or U.K. Overnight LIBOR Rate which would otherwise be applicable during any Interest Period, or (B) deposits in the relevant currency and amount for the relevant Interest Period are not available to such Bank or such Agent in any eurodollar interbank market, then such Bank or such Agent shall promptly give notice of such determination to the Borrowers (which notice shall be conclusive and binding upon such Borrowers). Upon such notification by such Bank or such Agent, the obligation of the Banks and such Agent to make LIBOR Rate Loans (or Domestic Base Rate Loans the interest rate on which is determined by reference to the Domestic LIBOR Rate component of the Domestic Base Rate), EURIBOR Rate Loans, or U.K. Overnight LIBOR Rate Loans, as the case may be, shall be suspended until the Banks or such Agent, as the case may be, determine that such circumstances no longer exist, and to the extent permitted by Law the outstanding LIBOR Rate Loans (or Domestic Base Rate

Loans the interest rate on which is determined by reference to the Domestic LIBOR Rate component of the Domestic Base Rate), EURIBOR Rate Loans and/or U.K. Overnight LIBOR Rate Loans shall continue to bear interest at the applicable rate based on the LIBOR Rate, EURIBOR Rate and/or U.K. Overnight LIBOR Rate, respectively, until the end of the applicable Interest Period, and thereafter (except for any U.K. Loans) shall be deemed converted to Domestic Base Rate Loans (without reference to the Domestic LIBOR Rate component of the Domestic Base Rate) or Canadian Base Rate Loans, as applicable, in equal principal amounts of such former LIBOR Rate Loans (or Domestic Base Rate Loans the interest rate on which is determined by reference to the Domestic LIBOR Rate component of the Domestic Base Rate);

(b) for any Interest Period with respect to any U.K. Loan, before (i) in the case of U.K. LIBOR Rate Loans denominated in Sterling and U.K. Overnight LIBOR Rate Loans, approximately 17:00 p.m. (London time) on the first Eurodollar Business Day of such Interest Period, (ii) in the case of U.K. LIBOR Rate Loans denominated in U.S. Dollars, approximately 17:00 p.m. (London time) two Eurodollar Business Days preceding the first day of such Interest Period, and (iii) in the case of EURIBOR Rate Loans, approximately 11:00 a.m. (Central European time) two TARGET Settlement Days preceding the first day of such Interest Period, the U.K. Agent receives notifications from a U.K. Bank or U.K. Banks (whose participations in a U.K. Loan exceed 35% of that U.K. Loan) that the cost to it of funding its participation in that U.K. Loan from whatever source it may reasonably select would be in excess of the Sterling LIBOR Rate, the EURIBOR Rate or the U.K. Overnight LIBOR Rate (as applicable) then the U.K. Cost of Funds Rate shall apply to that U.K. Loan for the relevant Interest Period; and

(c) the U.K. Cost of Funds Rate applies pursuant to paragraph (b) above:

(i) and the U.K. Agent or Ryder so requires, the U.K. Agent and Ryder shall enter into negotiations (for a period of not more than thirty (30) days) with a view to agreeing a substitute basis for determining the rate of interest. Any alternative basis agreed pursuant to this paragraph (i) shall, with the prior consent of all Banks and Ryder, be binding on all the parties to this Agreement;

(ii) and (A) a U.K. Bank's Funding Rate is less than the Sterling LIBOR Rate, the EURIBOR Rate or the U.K. Overnight LIBOR Rate (as applicable), or (B) a U.K. Bank does not supply a quotation by the time specified in the definition of "U.K. Cost of Funds Rate", the cost to such U.K. Bank of funding its participation in that U.K. Loan for that Interest Period shall be deemed, for the purposes of the definition of "U.K. Cost of Funds Rate", to be the Sterling LIBOR Rate, the EURIBOR Rate or the U.K. Overnight LIBOR Rate (as applicable); and

(iii) the U.K. Agent shall, as soon as is practicable, notify Ryder.

§6.7. Additional Costs, Etc. Except for any matters addressed by §19, and except as otherwise reflected in the interest rate applicable under this Agreement, if any Change in Law (which expression, as used herein, includes requests, directives, instructions and notices at any time or from time to time hereafter made upon or otherwise issued to any Bank or the Issuing

Bank by any central bank or other fiscal, monetary or other authority, whether or not having the force of law) or if any applicable Law adopted after the date hereof shall:

(a) subject such Bank or the Issuing Bank to any tax, levy, impost, duty, charge, fee, deduction or withholding of any nature with respect to this Agreement, the other Loan Documents, such Bank's Commitment, the Loans, any Letters of Credit or the Bankers' Acceptances (other than taxes based upon or measured by the income, capital or profits of such Bank or the Issuing Bank imposed by the jurisdiction of its incorporation or organization, or the location of its lending office or any political subdivision thereof); or

(b) materially change the basis of taxation (except for changes in taxes on income, capital or profits of such Bank or the Issuing Bank imposed by the jurisdiction of its incorporation or organization, or the location of its lending office or any political subdivision thereof) of payments to such Bank or the Issuing Bank of the principal or of the interest on any Loans or Letters of Credit or the Bankers' Acceptances or any other amounts payable to such Bank or the Issuing Bank under this Agreement or the other Loan Documents; or

(c) impose or increase or render applicable (other than to the extent specifically provided for elsewhere in this Agreement) any special deposit, reserve, assessment, liquidity, capital adequacy or other similar requirements against assets held by, or deposits in or for the account of, or loans by, or reimbursement obligations owed to, or commitments of, an office of any Bank or the Issuing Bank with respect to this Agreement, the other Loan Documents, such Bank's Commitment, the Loans, the Letters of Credit or the Bankers' Acceptances; or

(d) impose on such Bank or the Issuing Bank any other conditions or requirements with respect to this Agreement, the other Loan Documents, the Loans, the Bankers' Acceptances, any Letters of Credit, such Bank's Commitment, or any class of loans or commitments of which any of the Loans, such Letters of Credit or such Bank's Commitment forms a part, and the result of any of the foregoing is:

(i) to increase the cost to such Bank or the Issuing Bank of making, funding, issuing, renewing, extending or maintaining the Loans or such Bank's Commitment or any Letter of Credit or accepting and purchasing Bankers' Acceptances;

(ii) to reduce the amount of principal, interest, reimbursement obligations or other amount payable to such Bank or the Issuing Bank hereunder on account of such Bank's Commitment or the Loans or Bankers' Acceptances or any Letter of Credit; or

(iii) to require such Bank or the Issuing Bank to make any payment or to forego any interest or other sum payable hereunder, the amount of which payment or foregone interest or other sum is calculated by reference to the gross amount of any sum receivable or deemed received by such Bank or the Issuing Bank from the Borrowers hereunder,

then, and in each such case, the applicable Borrower will, upon demand made by such Bank or the Issuing Bank at any time and from time to time as often as the occasion therefore may arise (which demand shall be accompanied by a statement setting forth the basis of such demand which shall be conclusive absent manifest error), pay such reasonable additional amounts as will be sufficient to compensate such Bank or the Issuing Bank for such additional costs, reduction, payment or foregone interest or other sum. A Borrower shall only be obligated to pay a Bank or the Issuing Bank such additional amounts to the extent such Bank or the Issuing Bank has allocated such additional costs, reduction, payment or foregone interest or other sum among its like situated customers in good faith and on an equitable and nondiscriminatory basis.

§6.8. Capital Adequacy. Except as otherwise reflected in the interest rate applicable under this Agreement, if any Bank or the Issuing Bank shall have determined that, after the date hereof, the adoption of any applicable Law regarding capital adequacy, or any Change in Law, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy of any such Governmental Authority, central bank or comparable agency, in each case, whether or not having the force of law, has or would have the effect of reducing the rate of return on capital of such Bank or the Issuing Bank (or any corporation controlling such Bank or the Issuing Bank) as a consequence of such Bank's or the Issuing Bank's obligations hereunder to a level below that which such Bank or the Issuing Bank (or any corporation controlling such Bank or the Issuing Bank) could have achieved but for such adoption, change, request or directive (taking into consideration its policies with respect to capital adequacy), in each case, whether or not having the force of law, by an amount deemed by such Bank or the Issuing Bank to be material, then from time to time, within fifteen (15) days after demand by such Bank or the Issuing Bank, the applicable Borrower shall pay to such Bank or the Issuing Bank such additional amount or amounts as will, in such Bank's or the Issuing Bank's reasonable determination, fairly compensate such Bank or the Issuing Bank (or any corporation controlling such Bank or the Issuing Bank) for such reduction. A Borrower shall only be obligated to pay a Bank or the Issuing Bank such cost increases to the extent such Bank or the Issuing Bank has allocated such costs among its customers in good faith and on an equitable and nondiscriminatory basis.

§6.9. Certificate; Etc. A certificate setting forth the additional amounts payable pursuant to §6.7 or §6.8 and a reasonable explanation of such amounts which are due, submitted by any Bank or the Issuing Bank to the applicable Borrower(s), shall be conclusive, absent manifest error, that such amounts are due and owing. Such certificate shall contain a certification as to the matters specified in the last sentence of §6.7 or §6.8, as the case may be. A Borrower shall only be obligated to pay additional amounts under §6.7 or §6.8 hereof which accrue or are incurred after a Bank or the Issuing Bank has given notice to a Borrower pursuant to this §6.9. Any additional amounts paid by a Borrower to a Bank or the Issuing Bank pursuant to §6.7 or §6.8 hereof which are subsequently refunded to such Bank or the Issuing Bank shall be refunded to the applicable Borrower.

§6.10. Eurodollar Indemnity. Each Borrower agrees to indemnify the applicable Banks and the applicable Agents, and to hold them harmless from and against any reasonable loss, cost or expense that any such Bank or such Agent may sustain or incur as a consequence of (a) the

default by such Borrower in payment of the principal amount of or any interest on any LIBOR Rate Loans or EURIBOR Rate Loans, as and when due and payable, including any such loss or expense arising from interest or fees payable by any Bank or such Agent to lenders of funds obtained by it in order to maintain its LIBOR Rate Loans or EURIBOR Rate Loans, (b) the default by such Borrower in making a borrowing of a LIBOR Rate Loan or EURIBOR Rate Loan or conversion of a LIBOR Rate Loan, EURIBOR Rate Loan or a prepayment of a LIBOR Rate Loan or EURIBOR Rate Loan other than on an Interest Payment Date after such Borrower has given a Domestic Loan Request, a Canadian Loan Request, a U.K. Loan Request, or a PR Loan Request, a notice pursuant to §2.8, or a notice pursuant to §2.11, §2.12, §2.13 or §2.14, and (c) the making of any payment of a LIBOR Rate Loan or EURIBOR Rate Loan, or the making of any conversion of any LIBOR Rate Loan or EURIBOR Rate Loan to a Base Rate Loan, or the Reallocation of any LIBOR Rate Loan or EURIBOR Rate Loan pursuant to §2.4 on a day that is not the last day of the applicable Interest Period with respect thereto. So long as no Event of Default shall have occurred and be continuing, the Borrowers may elect to avoid the payment of such breakage costs by requesting that the applicable Agent apply amounts received with respect to LIBOR Rate Loans or EURIBOR Rate Loans to Cash Collateralize such LIBOR Rate Loans or EURIBOR Rate Loans, as the case may be, but in no event shall a Borrower be deemed to have paid such LIBOR Rate Loans or EURIBOR Rate Loans until such cash has been paid to the applicable Agent for application to such LIBOR Rate Loans or EURIBOR Rate Loans, respectively. Such loss or reasonable expense shall include an amount equal to the excess, if any, as reasonably determined by each Bank of (i) its cost of obtaining the funds for the LIBOR Rate Loan or EURIBOR Rate Loan being paid, prepaid, converted, not converted, reallocated, or not borrowed, as the case may be (based on the applicable LIBOR Rate or EURIBOR Rate, as the case may be) for the period from the date of such payment, prepayment, conversion, or failure to borrow or convert, as the case may be, to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for the Loan which would have commenced on the date of such failure to borrow) over (ii) the amount of interest (as reasonably determined by such Bank) that would be realized by such Bank in reemploying the funds so paid, prepaid, converted, or not borrowed, converted, or prepaid for such period or Interest Period, as the case may be, which determinations shall be conclusive absent manifest error.

§6.11. Interest on Overdue Amounts. Overdue principal and (to the extent permitted by applicable Law) interest on the Loans, including Swing Line Loans, and all other overdue amounts payable hereunder or under any of the other Loan Documents (other than Letter of Credit Fees and Acceptance Fees) shall bear interest compounded monthly and payable on demand at a rate per annum equal to (a) the applicable rate in effect for any Base Rate Loan plus (b) the relevant Applicable Margin plus (c) 2%, until such amount shall be paid in full (after as well as before judgment and after as well as before the commencement of any proceeding under any Debtor Relief Law); provided, however, that with respect to (i) a LIBOR Rate Loan, such rate shall be an interest rate equal to the interest rate (including the Applicable Margin for LIBOR Rate Loans) otherwise applicable to such Loan plus 2% per annum, (ii) Letter of Credit Fees, such rate shall be a rate equal to 2% above the Letter of Credit Fees otherwise applicable thereto, and (iii) the Acceptance Fee, such rate shall be a rate equal to the Applicable Acceptance Fee Rate plus 2% per annum. Notwithstanding the foregoing, the addition of 2% per annum on overdue amounts under this Section shall be subject in all cases (other than with respect to an

Event of Default under §13.1(a) (regarding the payment of principal), §13.1(g) or §13.1(h), in each case which shall not require the request of the Majority Banks), to the request of the Majority Banks.

§6.12. Interest Limitation. Notwithstanding any other term of this Agreement or the Notes, any other Loan Document or any other document referred to herein or therein, the maximum amount of interest which may be charged to or collected from any Person liable hereunder or under the Notes by any Bank shall be absolutely limited to, and shall in no event exceed, the maximum amount of interest which could lawfully be charged or collected by such Bank under applicable Laws (including, to the extent applicable, the provisions of §5197 of the Revised Statutes of the United States, as amended, 12 U.S.C. §85, as amended and the Criminal Code (Canada)).

§6.13. Reasonable Efforts to Mitigate. Each Bank and the Issuing Bank agrees that as promptly as practicable after it becomes aware of the occurrence of an event or the existence of a condition that would cause it to be affected under §6.2, §6.6, §6.7 or §6.8, such Bank or the Issuing Bank will give notice thereof to the applicable Borrower(s), with a copy to the applicable Agent and, to the extent so requested by such Borrower(s) and not inconsistent with such Bank's or the Issuing Bank's internal policies, such Bank or the Issuing Bank shall use reasonable efforts and take such actions as are reasonably appropriate (including, without limitation, designating a different lending office for funding or booking its Loans hereunder or assigning its rights and obligations hereunder to another of its offices, branches or Affiliates) if as a result thereof the additional moneys which would otherwise be required to be paid to such Bank or the Issuing Bank pursuant to such subsections would be materially reduced, or the illegality or other adverse circumstances which would otherwise require a conversion of such Loans or result in the inability to make such Loans pursuant to such sections would cease to exist, and in each case if, as determined by such Bank or the Issuing Bank in its sole discretion, the taking of such actions would not adversely affect such Loans or such Bank or otherwise be disadvantageous to such Bank or the Issuing Bank. The applicable Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Bank in connection with any such designation or assignment.

§6.14. Replacement of Banks. If any Bank or the Issuing Bank (an "Affected Bank") (a) (i) makes demand upon a Borrower for (or if a Borrower is otherwise required to pay) amounts pursuant to §6.7, §6.8 or §19, (ii) is unable to make or maintain LIBOR Rate Loans as a result of a condition described in §6.6, (iii) defaults in its obligation to make Loans, or accept and purchase Bankers' Acceptances or reimburse the Issuing Bank for the amount of each draft paid under any Letter of Credit or fails to comply with the provisions of §2.17 or §14 with respect to making dispositions and arrangements with the other Banks, where such Bank's share of any payment received, whether by setoff or otherwise, is in excess of its pro rata share of such payments due and payable to all of the Banks, in each case in accordance with the terms of this Agreement or (iv) is otherwise a Defaulting Bank, or (b) fails to approve any amendment, waiver or consent requested by any Borrower and such amendment, waiver or consent has received the written approval of not less than the Majority Banks, but also requires the approval of such Affected Bank, then in each case, such Borrower may, at its sole expense and effort, within ninety (90) days of receipt of such demand, notice (or the occurrence of such other event causing

such Borrower to be required to pay such compensation or causing §6.6 to be applicable), or default, as the case may be, by notice in writing to the Agents and such Affected Bank, require such Affected Bank to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, §21), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Bank, if a Bank accepts such assignment); provided that:

(A) the applicable Agent, the applicable Swing Line Lender, and, for each assignment of a Domestic Commitment hereunder, the Issuing Bank, shall have consented to such assignment in writing (in each case, such consent not to be unreasonably withheld);

(B) such Borrower shall have paid to the Administrative Agent the assignment fee specified in §21;

(C) such Affected Bank shall have received payment of an amount equal to the outstanding principal of its Loans, L/C Advances and purchased Bankers' Acceptances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or such Borrower (in the case of all other amounts);

(D) in the case of any such assignment resulting from a claim for compensation under clause (a)(i) of this §6.14, such assignment will result in a reduction in such compensation or payments thereafter; and

(E) such assignment does not conflict with applicable Laws or provisions hereunder.

A Bank shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Bank or otherwise, the circumstances entitling such Borrower to require such assignment and delegation cease to apply.

§6.15. Advances by Administrative Agent; Canadian Agent; and U.K. Agent.

(a) The Administrative Agent or the Canadian Agent, as applicable, may (unless earlier notified to the contrary by any Bank by 1:00 p.m. (local time for such Agent) one (1) Business Day prior to any Drawdown Date, or in the case of Domestic Base Rate Loans, on such Drawdown Date) assume that each Bank has made available (or will before the end of the applicable Drawdown Date make available) to such Agent the amount of such Bank's Domestic Commitment Percentage, Canadian Commitment Percentage or PR Commitment Percentage, as applicable, with respect to the Loans to be made on such Drawdown Date, and such Agent may (but shall not be required to), in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. If any Bank makes such amount available to such Agent on a date after such Drawdown Date, such Bank shall pay such Agent on demand an amount equal to the product of (i) the average, computed for the period referred to in clause (iii) below, of the weighted average annual interest rate paid by such Agent for funds acquired by such Agent during each day included in such period times (ii) the amount equal to

such Bank's Domestic Commitment Percentage of such Domestic Loan, Canadian Commitment Percentage of such Canadian Loan and PR Commitment Percentage of such PR Loan, as applicable, times (iii) a fraction, the numerator of which is the number of days that elapse from and including such Drawdown Date to but not including the date on which the amount equal to such Bank's Domestic Commitment Percentage, Canadian Commitment Percentage or PR Commitment Percentage, as applicable, of such Loans, shall become immediately available to such Agent, and the denominator of which is 365. A statement of such Agent submitted to such Bank with respect to any amounts owing under this paragraph shall be prima facie evidence of the amount due and owing to such Agent by such Bank. If such amount is not in fact made available to such Agent by such Bank within three (3) Business Days of such Drawdown Date, such Agent shall be entitled to recover such amount from, and the applicable Bank and the applicable Borrower(s) severally agree to pay to such Agent forthwith on demand such corresponding amount in Same Day Funds, with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to such Agent, at (A) in the case of a payment to be made by such Bank, the Overnight Rate, plus any administrative, processing or similar fees customarily charged by such Agent in connection with the foregoing, and (B) in the case of a payment made by such Borrower, the interest rate applicable to Base Rate Loans. If such Borrower and such Bank shall pay such interest to such Agent for the same or an overlapping period, such Agent shall promptly remit to such Borrower the amount of such interest paid by such Borrower for such period. If such Bank pays its share of the applicable borrowing to such Agent, then the amount so paid (less all such aforementioned interest and fees incurred by such Bank as a result of its failure to pay the required amounts to the applicable Agent) shall constitute such Bank's Loan included in such borrowing. Any payment by such Borrower shall be without prejudice to any claim such Borrower may have against a Bank that shall have failed to make such payment to such Agent.

(b) Unless Ryder, the Canadian Borrowers or Ryder PR, as the case may be, has notified the Administrative Agent or the Canadian Agent, as applicable, prior to the date any payment is required to be made by it to the applicable Agent hereunder, that such Borrower will not make such payment, the applicable Agent may assume that such Borrower has timely made such payment and may (but shall not be so required to), in reliance thereon, make available a corresponding amount to such Bank. If and to the extent that such payment was not in fact made to the applicable Agent by the applicable Borrower in immediately available funds, then each applicable Bank shall forthwith on demand repay to the applicable Agent the portion of such assumed payment that was made available to such Bank in Same Day Funds, together with interest thereon in respect of each day from and including the date such amount was made available by the applicable Agent to such Bank to the date such amount is repaid to the applicable Agent in Same Day Funds at the Overnight Rate from time to time in effect.

(c) Where a sum is to be paid to the U.K. Agent under the Loan Documents for another party, the U.K. Agent is not obliged to pay that sum to that other party (or to

enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum. Unless §6.15(d) below applies, if the U.K. Agent pays an amount to another party and it proves to be the case that the U.K. Agent had not actually received that amount, then the party to whom that amount (or the proceeds of any related exchange contract) was paid by the U.K. Agent shall on demand refund the same to the U.K. Agent together with interest on that amount from the date of payment to the date of receipt by the U.K. Agent, calculated by the U.K. Agent to reflect its cost of funds.

(d) If the U.K. Agent is willing to make available amounts for the account of a U.K. Borrower before receiving funds from the U.K. Banks then, if and to the extent that the U.K. Agent does so, but it proves to be the case that it does not then receive funds from a U.K. Bank in respect of a sum which it paid to a U.K. Borrower:

(i) the U.K. Borrower to whom that sum was made available shall on demand refund it to the U.K. Agent; and

(ii) the U.K. Bank by whom those funds should have been made available or, if that U.K. Bank fails to do so, the U.K. Borrower to whom that sum was made available, shall on demand pay to the U.K. Agent the amount (as certified by the U.K. Agent) which will indemnify the U.K. Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that U.K. Bank.

(e) A notice of the applicable Agent to any Bank or any Borrower with respect to any amount owing under §§6.15(a) to (d) shall be conclusive, absent manifest error.

(f) Failure to Satisfy Conditions Precedent. If any Bank makes available to any applicable Agent funds for any Loan to be made by such Bank to any Borrower as provided in the foregoing provisions of §2, and such funds are not made available to such Borrower by such Agent because the conditions to the applicable credit extension set forth in §11 and/or §12, as applicable, are not satisfied or waived in accordance with the terms hereof, the applicable Agent shall return such funds (in like funds as received from such Bank) to such Bank in a timely manner, without interest.

(g) Obligations of Banks Several. The obligations of the Banks hereunder to make Loans, to accept and purchase Bankers' Acceptances, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to §18.2 are several and not joint. The failure of any Bank to make any Loan, to accept and purchase Bankers' Acceptances, to fund any such participation or to make any payment under §18.2 on any date required hereunder shall not relieve any other Bank of its corresponding obligation to do so on such date, and no Bank shall be responsible for the failure of any other Bank to so make its Loan, to accept and purchase Bankers' Acceptances, to purchase its participation or to make its payment under §18.2.

(h) Funding Source. Nothing herein shall be deemed to obligate any Bank to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Bank that it has obtained or will obtain the funds for any Loan in any particular place or manner.

§6.16. Currency Fluctuations.

(a) The applicable Agent or the applicable Swing Line Lender, as applicable, shall determine the Exchange Rates as of each Revaluation Date to be used for calculating Dollar Equivalent amounts of credit extensions and Outstanding Amounts denominated in Canadian Dollars, Sterling and Euros. Such Exchange Rates shall become effective as of such Revaluation Date and shall be the Exchange Rates employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur. Except for purposes of financial statements delivered by the Borrowers hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the applicable Agent or the applicable Swing Line Lender, as applicable.

(b) Not later than 4:00 p.m. (Eastern time) on each Revaluation Date, the Canadian Agent, in consultation with the Canadian Swing Line Lender, shall determine the Dollar Equivalent of the outstanding Canadian Loans denominated in Canadian Dollars and the outstanding Bankers' Acceptances. Not later than 4:00 p.m. (Eastern time) on each Revaluation Date, the U.K. Agent, in consultation with the U.K. Swing Line Lender, shall determine the Dollar Equivalent of the outstanding U.K. Loans denominated in Sterling and Euros.

(c) If, on any Revaluation Date, the Outstanding Amount of all Canadian Loans and the aggregate face amount of all Bankers' Acceptances, exceeds the Total Canadian Commitment (the amount of such excess referred to herein as the "Canadian Excess Amount") by more than one percent (1%) of the aggregate amount of the Total Canadian Commitment, then (i) the Canadian Agent shall give notice thereof to the Canadian Borrowers and the Canadian Banks and (ii) within two (2) Business Days thereafter, the Canadian Borrowers shall repay or prepay Canadian Loans in an aggregate principal amount such that, after giving effect thereto, the Outstanding Amount of all Canadian Loans and the aggregate face amount of all Bankers' Acceptances no longer exceeds the Total Canadian Commitment. Notwithstanding the foregoing, to avoid the incurrence of breakage costs with respect to Canadian Loans which are LIBOR Rate Loans, the Canadian Borrowers shall not be obligated to repay any Canadian Loan that is a LIBOR Rate Loan until the end of the Interest Period relating thereto to the extent that the unused amount of the Domestic Commitments of the Domestic Banks which are affiliates of the Canadian Banks shall be greater than or equal to the Canadian Excess Amount. On each Revaluation Date and until the Canadian Loans are repaid in accordance with the first sentence of this paragraph (c), the Total Domestic Commitment shall be automatically reduced by an amount equal to the Canadian Excess Amount.

Such reduction shall be made by reducing the Domestic Commitments of each such Domestic Bank that is an affiliate of a Canadian Bank by an amount equal to such Domestic Bank's Domestic Commitment Percentage of the Canadian Excess Amount.

(d) If, on any Revaluation Date, the Outstanding Amount of all U.K. Loans exceeds the Total U.K. Commitment (the amount of such excess referred to herein as the "U.K. Excess Amount") by more than one percent (1%) of the Total U.K. Commitment, then (i) the U.K. Agent shall give notice thereof to the U.K. Borrowers and the U.K. Banks and (ii) within two (2) Business Days thereafter, the U.K. Borrowers shall repay or prepay U.K. Loans in an aggregate principal amount such that, after giving effect thereto, the Outstanding Amount of all U.K. Loans no longer exceeds the Total U.K. Commitment. Notwithstanding the foregoing, to avoid the incurrence of breakage costs with respect to U.K. Loans which are LIBOR Rate Loans, the U.K. Borrowers shall not be obligated to repay any U.K. Loan that is a LIBOR Rate Loan until the end of the Interest Period relating thereto to the extent that the unused amount of the Domestic Commitments of the Domestic Banks which are affiliates of the U.K. Banks shall be greater than or equal to the U.K. Excess Amount. On each Revaluation Date and until the U.K. Loans are repaid in accordance with the first sentence of this paragraph (d), the Total Domestic Commitment shall be automatically reduced by an amount equal to the U.K. Excess Amount. Such reduction shall be made by reducing the Domestic Commitments of each such Domestic Bank that is an affiliate of a U.K. Bank by an amount equal to such Domestic Bank's Domestic Commitment Percentage of the U.K. Excess Amount.

§6.17. Successor Rates.

(a) Notwithstanding anything to the contrary in this Agreement or any other Loan Documents (including §17 hereof), if an Agent determines (which determination shall be conclusive absent manifest error), or Ryder or Majority Banks notify the Agents (with, in the case of the Majority Banks, a copy to Ryder) that Ryder or Majority Banks (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining the Applicable Reference Rate for an Applicable Currency for any requested Interest Period including, without limitation, because the Applicable Screen Rate for such Applicable Currency is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the administrator of the Applicable Screen Rate for an Applicable Currency or a Governmental Authority having jurisdiction over the applicable Agent or such administrator has made a public statement identifying a specific date after which (A) the Applicable Reference Rate for an Applicable Currency or the Applicable Screen Rate for an Applicable Currency shall no longer be made available, or used for determining the interest rate of loans denominated in such Applicable Currency or (B) the administrator of the Applicable Screen Rate for an Applicable Currency will be insolvent; provided, that, in each case, at the time of such statement, there is no successor administrator that is satisfactory to the applicable Agent, that will continue to provide the

Applicable Reference Rate for such Applicable Currency after such specific date (such specific date, the “Scheduled Unavailability Date”); or

(iii) the administrator of the Applicable Screen Rate for an Applicable Currency or a Governmental Authority having jurisdiction over the applicable Agent or such administrator has made a public statement announcing that all Interest Periods and other tenors of the Applicable Reference Rate for an Applicable Currency are no longer representative, or

(iv) syndicated loans currently being executed, or that include language similar to that contained in this §6.17, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace the Applicable Reference Rate for an Applicable Currency,

then, in the case of clauses (i) through (iii) above, on a date and time determined by the applicable Agent (any such date, the “Replacement Date”), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and shall occur reasonably promptly upon the occurrence of any of the events or circumstances under clauses (i), (ii) or (iii) above and, solely with respect to clause (ii) above, no later than the Scheduled Unavailability Date,

(A) the Applicable Reference Rate for Loans denominated in Dollars will be replaced hereunder and under any Loan Document with, subject to the proviso below, the first available alternative set forth in the order below for any payment period for interest calculated that can be determined by the applicable Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document (the “LIBOR Successor Rate”; and any such rate before giving effect to the Related Adjustment, the “Pre-Adjustment Successor Rate”): (x) Term SOFR plus the Related Adjustment and (y) SOFR plus the Related Adjustment; and in the case of clause (iv) above, Ryder and the applicable Agent may amend this Agreement solely for the purpose of replacing the Applicable Reference Rate for Loans denominated in Dollars under this Agreement and under any other Loan Document in accordance with the definition of “LIBOR Successor Rate” and such amendment will become effective at 5:00 p.m. on the fifth (5th) Business Day after the applicable Agent shall have notified all Banks and Ryder of the occurrence of the circumstances described in clause (iv) above unless, prior to such time, Banks comprising the Majority Banks have delivered to the applicable Agent written notice that such Majority Banks object to the implementation of a LIBOR Successor Rate pursuant to such clause (provided, that, if the applicable Agent determines that Term SOFR has become available, is administratively feasible for the applicable Agent and would have been identified as the Pre-Adjustment Successor Rate in accordance with the foregoing if it had been so available at the time that the LIBOR Successor Rate then in effect was so identified, and the Administrative Agent notifies Ryder and each Bank of such availability, then from and after the beginning of the Interest Period, relevant

interest payment date or payment period for interest calculated, in each case, commencing no less than thirty (30) days after the date of such notice, the Pre-Adjustment Successor Rate shall be Term SOFR and the LIBOR Successor Rate shall be Term SOFR plus the relevant Related Adjustment); and

(B) with respect to any Applicable Currency other than Dollars, the applicable Agent and Ryder may amend this Agreement solely for the purpose of replacing the Applicable Reference Rate for Loans denominated in the Applicable Currency in accordance with this §6.17 with another alternate benchmark rate giving due consideration to any evolving or then existing convention for similar syndicated credit facilities syndicated in the U.S. and denominated in the Applicable Currency for such alternative benchmarks and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar syndicated credit facilities syndicated in the U.S. and denominated in the Applicable Currency for such benchmarks, each of which adjustments or methods for calculating such adjustments shall be published on an information service as selected by the applicable Agent from time to time in its reasonable discretion and may be periodically updated (each, an “Adjustment”; and any such proposed rate, an “Applicable Successor Rate” and together with the LIBOR Successor Rate, a “Successor Rate”), and any such amendment shall become effective at 5:00 p.m. on the fifth (5th) Business Day after the applicable Agent shall have posted such proposed amendment to all Banks and the Ryder unless, prior to such time, Banks comprising the Majority Banks have delivered to the applicable Agent written notice that such Majority Banks object to such amendment. If no Applicable Successor Rate has been determined for the Applicable Currency and the circumstances under clause (i) above exist or the Scheduled Unavailability Date has occurred (as applicable), the applicable Agent will promptly so notify Ryder and each Banks.

The Agents will promptly (in one or more notices) notify Ryder and each Bank of (x) any occurrence of any of the events, periods or circumstances under clauses (i) through (iii) above, (y) a Replacement Date and (z) the Successor Rate.

Any Successor Rate shall be applied in a manner consistent with market practice; provided, that, to the extent such market practice is not administratively feasible for the applicable Agent, such Successor Rate shall be applied in a manner as otherwise reasonably determined by such Agent.

Notwithstanding anything else herein to the contrary, if at any time any Successor Rate as so determined would otherwise be less than zero, such Successor Rate will be deemed to be zero for the purposes of this Agreement and the other Loan Documents.

In connection with the implementation of a Successor Rate, the applicable Agent will have the right to make Successor Rate Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any

amendments implementing such Successor Rate Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided, that, with respect to any such amendment effected, the applicable Agent shall post each such amendment implementing such Successor Rate Conforming Changes to Ryder and the Banks reasonably promptly after such amendment becomes effective.

If the events or circumstances of the type described in §6.17(a)(i) through (iii) have occurred with respect to the Successor Rate then in effect, then the successor rate thereto shall be determined in accordance with the definition of “Successor Rate.”

(b) Notwithstanding anything to the contrary herein, (i) after any such determination by the applicable Agent or receipt by the applicable Agent of any such notice described under §6.17(a)(i) through (iii) with respect to an Applicable Reference Rate for Loans denominated in an Applicable Currency, as applicable, if the applicable Agent determines that a Successor Rate is not available (or, in the case of the LIBOR Successor Rate, none of the LIBOR Successor Rates is available) on or prior to the Replacement Date, (ii) if the events or circumstances described in §6.17(a)(iv) have occurred with respect to an Applicable Reference Rate for Loans denominated in an Applicable Currency but a Successor Rate is not available (or, in the case of the LIBOR Successor Rate, none of the LIBOR Successor Rates is available), or (iii) if the events or circumstances of the type described in §6.17(a)(i) through (iii) have occurred with respect to the Successor Rate then in effect for an Applicable Currency and the applicable Agent determines that the Successor Rate is not available (or, in the case of the LIBOR Successor Rate, none of the LIBOR Successor Rates is available), then in each case, the applicable Agent and Ryder may amend this Agreement solely for the purpose of replacing the Applicable Reference Rate for the Applicable Currency or any then current Successor Rate for such Applicable Currency at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, in accordance with this §6.17 with another alternate benchmark rate giving due consideration to any evolving or then existing convention for similar syndicated credit facilities syndicated in the U.S. and denominated in the Applicable Currency for such alternative benchmarks and, in each case, including any Related Adjustments (in the case of the LIBOR Successor Rate) and any other mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar syndicated credit facilities syndicated in the U.S. and denominated in the Applicable Currency for such benchmarks, each of which adjustments or methods for calculating such adjustments shall be published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion and may be periodically updated. For the avoidance of doubt, any such proposed rate and adjustments shall constitute a Successor Rate. Any such amendment shall become effective at 5:00 p.m. on the fifth (5th) Business Day after the applicable Agent shall have posted such proposed amendment to all Banks and Ryder unless, prior to such time, Banks comprising the Majority Banks have delivered to such Agent written notice that such Majority Banks object to such amendment.

(c) If, at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, no Successor Rate has been determined for an Applicable Currency in accordance with §6.17(a) or (b) and the circumstances under §6.17(a)(i) or (a)(iii) above exist or the Scheduled Unavailability Date has occurred (as applicable), the applicable Agent will promptly so notify Ryder and each Bank. Thereafter, (x) the obligation of the Banks to make or maintain LIBOR Rate Loans and U.K. Overnight LIBOR Rate Loans in each such Applicable Currency shall be suspended (to the extent of the affected LIBOR Rate Loans, U.K. Overnight LIBOR Rate Loans, Interest Periods, interest payment dates or payment periods), and (y) the Domestic LIBOR Rate component shall no longer be utilized in determining the Domestic Base Rate, until the Successor Rate has been determined in accordance with §6.17(a) or (b). Upon receipt of such notice, (i) the applicable Borrower may revoke any pending request made by such Borrower for a borrowing of, conversion to or continuation of LIBOR Rate Loans and U.K. Overnight LIBOR Rate Loans in each such affected Applicable Currency (to the extent of the affected LIBOR Rate Loans, U.K. Overnight LIBOR Rate Loans, Interest Periods, interest payment dates or payment periods) or, failing that, (A) only with respect to Loans bearing interest at the Domestic LIBOR Rate, will be deemed to have converted such request into a request for a borrowing of Domestic Loans or PR Loans, as applicable, bearing interest at the Domestic Base Rate (subject to the foregoing clause (y)) in the amount specified therein and (B) only with respect to U.K. Loans, will be deemed to have converted such request into a request for a borrowing of U.K. Loans in the Applicable Currency bearing interest at the applicable Reference Rate or, in the event such Reference Rate is not available at such time, the U.K. Cost of Funds Rate in the amount specified therein (it being understood that if for any reason in the sole determination of the U.K. Agent, the U.K. Agent is unable to provide a quotation for the applicable U.K. Cost of Funds Rate for such U.K. Loans, then in such circumstance, such U.K. Loans shall be subject to Section 6.17(c)(ii)), and (ii) any outstanding affected LIBOR Rate Loans (other than (A) Domestic Loans or PR Loans, as applicable, bearing interest at the Domestic LIBOR Rate and (B) U.K. Loans bearing interest at the applicable Reference Rate or the U.K. Cost of Funds Rate in accordance with Section 6.17(c)(i)(B)) and U.K. Overnight LIBOR Rate Loans shall be prepaid at the end of the applicable Interest Period in full.

§6.18. Successor CDOR.

(a) Notwithstanding anything to the contrary in this Agreement or any other Loan Documents (including §17 hereof), if the Canadian Agent determines (which determination shall be conclusive absent manifest error), or Ryder or the Canadian Banks with collectively greater than 50% of the total Canadian Commitments notify the Canadian Agent that Ryder or the Canadian Banks with collectively greater than 50% of the total Canadian Commitments (as applicable) have determined that:

(i) adequate and reasonable means do not exist for ascertaining CDOR Rate, including because the Reuters Screen CDOR page is not available or published on a current basis for the applicable period and such circumstances are unlikely to be temporary;

(ii) the administrator of the CDOR Rate or a Governmental Authority having jurisdiction has made a public statement identifying a specific date after which CDOR Rate will permanently or indefinitely cease to be made available or permitted to be used for determining the interest rate of loans;

(iii) a Governmental Authority having jurisdiction over the Canadian Agent has made a public statement identifying a specific date after which CDOR Rate shall no longer be permitted to be used for determining the interest rate of loans (each such specific date in clause (ii) and in this clause (iii) a “CDOR Scheduled Unavailability Date”); or

(iv) syndicated loans currently being executed, or that include language similar to that contained in this §6.18, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace the CDOR Rate,

then reasonably promptly after such determination by the Canadian Agent or receipt by the Canadian Agent of such notice, as applicable, the Canadian Agent and Ryder may mutually agree upon a successor rate to the CDOR Rate, and the Canadian Agent and Ryder may amend this Agreement to replace the CDOR Rate with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar Canadian Dollars denominated syndicated credit facilities for such alternative benchmarks (any such proposed rate, a “CDOR Successor Rate”), together with any proposed CDOR Successor Rate conforming changes and any such amendment shall become effective at 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the Canadian Agent shall have posted such proposed amendment to all Banks and Ryder unless, prior to such time, Canadian Banks comprising collectively greater than 50% of the total Canadian Commitments have delivered to the Canadian Agent written notice that Canadian Banks comprising collectively greater than 50% of the total Canadian Commitments do not accept such amendment.

(b) If no CDOR Successor Rate has been determined and the circumstances under clause §6.18(a)(i) exist or a CDOR Scheduled Unavailability Date has occurred (as applicable), the Canadian Agent will promptly so notify Ryder and each Canadian Bank. Thereafter, the obligation of the Canadian Banks to make or maintain Bankers’ Acceptances, shall be suspended (to the extent of the affected Bankers’ Acceptances or applicable periods). Upon receipt of such notice, the Canadian Borrowers’ may revoke any pending request for an advance of, conversion to or rollover of Bankers’ Acceptances, (to the extent of the affected Bankers’ Acceptances or applicable periods) or, failing that, will be deemed to have converted such request into a request for Canadian Prime Rate Loans in the amount specified therein.

(c) Notwithstanding anything else herein, any definition of the CDOR Successor Rate (exclusive of any margin) shall provide that in no event shall such CDOR Successor Rate be less than zero for the purposes of this Agreement.

§7. REPRESENTATIONS AND WARRANTIES. Each of the Borrowers represents and warrants to the Agents, the Banks and the Issuing Bank that:

§7.1. Corporate Authority.

(a) Incorporation; Good Standing. Each of the Borrowers and each of Ryder's Consolidated Subsidiaries (other than Immaterial Subsidiaries) (i) is a corporation duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of incorporation, (ii) has all requisite corporate power to own its property and conduct its material business operations so that the Borrowers and their Consolidated Subsidiaries, taken as a whole, may conduct business substantially in the manner presently conducted by them, and (iii) is in good standing (or such qualification can be readily obtained without material penalty) as a foreign corporation and is duly authorized to do business in each jurisdiction in which its property or business as presently conducted or contemplated makes such qualification necessary, except where a failure to be so qualified would not have a material adverse effect on the business, assets or financial condition of Ryder and its Consolidated Subsidiaries, taken as a whole.

(b) Authorization. The execution, delivery and performance of this Agreement and the other Loan Documents and the transactions contemplated hereby and thereby (i) are within the corporate authority of each of the Borrowers, (ii) have been duly authorized by all necessary corporate proceedings on the part of each of the Borrowers, (iii) do not materially conflict with or result in any material breach or contravention of any provision of Law, statute, rule or regulation to which any of the Borrowers is subject or any judgment, order, writ, injunction, license or permit applicable to any of the Borrowers, and (iv) do not conflict with any provision of the corporate charter, bylaws or constitutional documents of any of the Borrowers or any material agreement or other material instrument binding upon any of the Borrowers.

(c) Enforceability. The execution, delivery and performance of this Agreement and the other Loan Documents by each of the Borrowers will result in valid and legally binding obligations of each of the Borrowers enforceable against each such Borrower in accordance with the respective terms and provisions hereof and thereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other Laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

§7.2. Governmental Approvals. The execution, delivery and performance of this Agreement and the other Loan Documents by each of the Borrowers and the consummation by each of the Borrowers of the transactions contemplated hereby and thereby do not require any approval or consent of, or filing with, any governmental agency or authority other than those already obtained.

§7.3. Title to Properties; Leases. Ryder and its Consolidated Subsidiaries own all of the assets reflected in the consolidated balance sheet of Ryder and its Consolidated Subsidiaries as at the Balance Sheet Date or acquired since that date (except property and assets (a) sold or otherwise disposed of in the ordinary course of business since that date or as otherwise permitted pursuant to §9.3 or (b) held pursuant to lease, trust or conditional sales agreement), subject to no mortgages, conditional sales agreements, title retention agreements, liens or other encumbrances except Permitted Liens.

§7.4. Financial Statements. There have been furnished to the Banks the consolidated balance sheet of Ryder and its Consolidated Subsidiaries dated the Balance Sheet Date and the consolidated statements of income, shareholders' equity and cash flow for the fiscal periods then ended, certified by Ryder's independent certified public accountants of nationally recognized standing. All said balance sheets and statements of operations have been prepared in accordance with GAAP (but, in the case of any of such financial statements which are unaudited, only to the extent GAAP is applicable to interim unaudited reports) and fairly present the financial condition of Ryder and its Consolidated Subsidiaries as at the close of business on the Balance Sheet Date and the results of operations for the period then ended (subject, in the case of unaudited interim financial statements, to changes resulting from audit and normal year-end adjustments and to the absence of complete footnotes). There are no contingent liabilities of Ryder and its Consolidated Subsidiaries involving material amounts, known to the officers of Ryder, which have not been disclosed in said balance sheets and the related notes thereto or otherwise in writing to the Administrative Agent.

§7.5. Litigation. Except as set forth on Schedule 7.5, there are no actions, suits, proceedings or investigations of any kind pending or, to the knowledge of each of the Borrowers, threatened against Ryder or any of Ryder's Consolidated Subsidiaries before any court, tribunal or administrative agency or board which, either in any case or in the aggregate, if adversely determined, Ryder reasonably believes would be expected to have a material adverse effect on the financial condition, business, or assets of Ryder and its Consolidated Subsidiaries, considered as a whole, or materially impair the right of Ryder and its Consolidated Subsidiaries, considered as a whole, to carry on business substantially as now conducted, or result in any substantial liability not adequately covered by insurance, or for which adequate reserves are not maintained on the consolidated balance sheet or which question the validity of any of the Loan Documents to which Ryder or any of its Consolidated Subsidiaries is a party, or any action taken or to be taken pursuant hereto or thereto.

§7.6. Compliance With Other Instruments, Laws, Etc. None of the Borrowers nor any of Ryder's Consolidated Subsidiaries is (a) violating any provision of its charter documents or by-laws or (b) any agreement or instrument to which any of them may be subject or by which any of them or any of their properties may be bound or any decree, order, judgment, or, to the knowledge of Ryder's officers, any statute, license, rule or regulation, in a manner which materially and adversely affects the financial condition, business or assets of Ryder and its Consolidated Subsidiaries, considered as a whole.

§7.7. Tax Status. Each Borrower and each of Ryder's Consolidated Subsidiaries (other than its Immaterial Subsidiaries) have (a) made or filed all federal, state, provincial and territorial income and all other tax returns, reports and declarations (or obtained extensions with respect thereto) required by applicable Law to be filed by them, other than state or provincial tax returns covering immaterial amounts, (b) paid all taxes and other governmental assessments and charges as shown or determined to be due on such returns, reports and declarations, except those being contested in good faith, and (c) set aside on their books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. Except as set forth on Schedule 7.7, there are no unpaid taxes in any amount material to Ryder and its Consolidated Subsidiaries, taken as a whole, claimed to be due by the taxing authority of any jurisdiction, and the officers of the Borrowers know of no basis for any such claim.

§7.8. No Event of Default. No Default or Event of Default has occurred and is continuing.

§7.9. Holding Company and Investment Company Acts. Neither Ryder nor any of its Subsidiaries is a "holding company" or a "public utility company" as such terms are defined in the Public Utility Holding Company Act of 2005; nor is any of them a "registered investment company", or an "affiliated company" or a "principal underwriter" of a "registered investment company", as such terms are defined in the Investment Company Act of 1940, as amended.

§7.10. Absence of Financing Statements, Etc. Except as permitted by §9.2, (a) there is no Indebtedness of the Borrowers or obligors hereunder senior to the Obligations and (b) there is no effective financing statement, security agreement, chattel mortgage, real estate mortgage or other document filed or recorded with any filing records, registry, or other public office, which purports to cover, affect or give notice of any present or possible future lien on, or security interests in, any assets or property of Ryder or any of its Consolidated Subsidiaries or right thereunder.

§7.11. ERISA Compliance.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state laws.

(b) There are no pending or, to the best knowledge of the Borrowers, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a material adverse effect on the business, financial condition, or results of operation of the Borrowers and their Subsidiaries, taken as a whole.

(c) (i) No ERISA Event has occurred, and neither the Borrowers nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan that could reasonably be expected to have a material adverse effect on the business, financial condition, or results of operation of the Borrowers and their Subsidiaries taken as a

whole; (ii) the Borrowers and each ERISA Affiliate has met in all material respects all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; and (iii) as of the most recent valuation date for any Pension Plan, the Pension Plan unfunded liabilities did not exceed the value of its assets in an amount that could reasonably be expected to have a material adverse effect on the business, financial condition, or results of operation of the Borrowers and their Subsidiaries, taken as a whole.

(d) No Borrower nor any ERISA Affiliate has incurred any material liability (including secondary liability) to any Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan under §4201 of ERISA or as a result of a sale of assets described in §4204 of ERISA that could reasonably be expected to have a material adverse effect on the business, financial condition, or results of operation of the Borrowers and their Subsidiaries, taken as a whole. No Borrower nor any ERISA Affiliate has been notified that any Multiemployer Plan is in reorganization or is insolvent under and within the meaning of §4241 or §4245 of ERISA or has been terminated under §4041A of ERISA that could reasonably be expected to have a material adverse effect on the business, financial condition, or results of operation of the Borrowers and their Subsidiaries, taken as a whole.

(e) Each Borrower represents and warrants as of the Closing Date that such Borrower is not and will not be using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Bankers’ Acceptances, the Letters of Credit or the Commitments.

§7.12. Environmental Compliance. In the ordinary course of its business, each Borrower reviews the effect of Environmental Laws on the business, operations and properties of such Borrower and its Subsidiaries, in the course of which it identifies and evaluates associated liabilities and costs (including, without limitation, capital or operating expenditures required for clean-up or closure of properties presently or previously owned, capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by Law or as a condition of any license, permit or contract, any periodic or permanent shutdown of any facility or reduction in the level or change in the nature of operation conducted thereat, any costs or liabilities in connection with off-site disposal of wastes or Hazardous Substances, and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). Except as set forth on Schedule 7.12, on the basis of this review, each Borrower has reasonably concluded that such associated liabilities and costs, including the costs of compliance with Environmental Laws, are unlikely to have a material adverse effect on the business, financial condition, results of operations or prospects of Ryder and its Consolidated Subsidiaries, taken as a whole.

§7.13. Disclosure.

(a) The representations and warranties made by the Borrowers in this Agreement or by the Borrowers in any agreement, instrument, document, certificate, statement or letter furnished to the Banks in connection with the transactions contemplated by the Loan Documents do not, taken as a whole, together with all other information provided by or on behalf of the Borrowers, which includes (a) any information provided pursuant §8.4 or otherwise provided by the Borrowers to the Agents and the Banks in writing and (b) all information contained in the reports filed by Ryder with the Securities and Exchange Commission, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make such representation, warranties and information, taken as a whole, in light of the circumstances under which they were made, not misleading in any material respect.

(b) As of the Closing Date, the information included in any Beneficial Ownership Certification, if applicable, is true and correct in all respects.

§7.14. Location of Chief Executive Office. Ryder's chief executive office and the location where its books and records are kept is 11690 N.W. 105th Street, Miami, Florida 33178 (except as the same may be updated pursuant to §8.2). Ryder is incorporated under the laws of the state of Florida.

§7.15. Debt Ratings. Schedule 7.15 contains a true and accurate list as of the Closing Date of the Senior Public Debt Ratings.

§7.16. Consolidated Subsidiaries. Each of the Consolidated Subsidiaries of Ryder and the other Borrowers as of the date hereof is listed on Schedule 7.16 attached hereto.

§7.17. OFAC; Anti-Corruption Laws and Anti-Money Laundering Laws.

(a) Neither any Borrower, nor any of its Subsidiaries, nor, to the knowledge of any Borrower and its Subsidiaries, any director, officer, or controlled affiliate thereof, is a Person that is, or is owned or controlled by any Person that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, or (iii) organized, resident or having a place of business in a Designated Jurisdiction.

(b) Each Borrower and its Subsidiaries have (i) conducted their businesses in compliance with (A) the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions, (B) Anti-Money Laundering Laws and (C) all applicable Sanctions and (ii) instituted and maintained policies and procedures designed to promote and achieve compliance with such anti-corruption legislation, such Anti-Money Laundering Laws and such Sanctions.

§7.18. Use of Proceeds. The proceeds of the Loans, borrowings by Bankers' Acceptances and the Letters of Credit shall be used for general corporate purposes and working capital purposes. No Loans or Bankers' Acceptances or any portion of any Letter of Credit shall be used in any way that will violate Regulations T, U or X of the Board of Governors of the Federal Reserve System. The Borrowers will not use the proceeds of any Loan or borrowing by way of

Bankers' Acceptances or any portion of any Letter of Credit to purchase or carry any "margin security" or "margin stock" (as such terms are defined in said Regulations U and X).

§7.19. No Affected Financial Institution. No Borrower nor any of its Subsidiaries is an Affected Financial Institution.

§7.20. Covered Entity. No Borrower nor any of its Subsidiaries is a Covered Entity.

§7A. representations as to foreign obligors. Each of Ryder and each Foreign Obligor (with regard to itself but not with regard to any other Foreign Obligor) represents and warrants to the Agents, the Banks and the Issuing Bank that:

(a) Such Foreign Obligor is subject to civil and commercial Laws with respect to its obligations under this Agreement and the other Loan Documents to which it is a party (collectively as to such Foreign Obligor, the "Applicable Foreign Obligor Documents"), and the execution, delivery and performance by such Foreign Obligor of the Applicable Foreign Obligor Documents constitute and will constitute private and commercial acts and not public or governmental acts. Neither such Foreign Obligor nor any of its material property has any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the Laws of the jurisdiction in which such Foreign Obligor is organized and existing in respect of its obligations under the Applicable Foreign Obligor Documents.

(b) There are no form requirements applicable to the Applicable Foreign Obligor Documents under the Laws of the jurisdiction in which such Foreign Obligor is organized and existing for the enforcement thereof against such Foreign Obligor under the Laws of such jurisdiction, or to ensure the legality, validity, enforceability, priority or admissibility in evidence of the Applicable Foreign Obligor Documents. It is not necessary to ensure the legality, validity, enforceability, priority or admissibility in evidence, in each case, in all material respects, of the Applicable Foreign Obligor Documents that the Applicable Foreign Obligor Documents be filed, registered or recorded with, or executed or notarized before, any court or other authority in the jurisdiction in which such Foreign Obligor is organized and existing or that any registration charge or stamp or similar tax be paid on or in respect of the Applicable Foreign Obligor Documents or any other document, except for (i) any such filing, registration, recording, execution or notarization as has been made or is not required to be made until the Applicable Foreign Obligor Document or any other document is sought to be enforced and (ii) any charge or tax as has been timely paid.

(c) There is no tax, levy, impost, duty, fee, assessment or other governmental charge, or any deduction or withholding, imposed by any Governmental Authority in or of the jurisdiction in which such Foreign Obligor is organized, existing and a resident for tax purposes either (i) on or by virtue of the execution or delivery of the Applicable Foreign Obligor Documents or (ii) on any payment to be made by such Foreign Obligor

pursuant to the Applicable Foreign Obligor Documents, except as has been disclosed to the Agents.

(d) The execution, delivery and performance of the Applicable Foreign Obligor Documents executed by such Foreign Obligor are, under applicable foreign exchange control regulations of the jurisdiction in which such Foreign Obligor is organized and existing, not subject to any notification or authorization except (i) such as have been made or obtained or (ii) such as cannot be made or obtained until a later date and are not material (provided that any notification or authorization described in clause (ii) shall be made or obtained as soon as is reasonably practicable).

§8. AFFIRMATIVE COVENANTS OF THE BORROWERS. Each of the Borrowers agrees that, so long as any Obligation is outstanding or the Banks have any obligation to make Loans, or the Canadian Banks have any Obligations with respect to Bankers' Acceptances, or the Issuing Bank has any obligation to issue, extend or renew any Letters of Credit:

§8.1. Punctual Payment. The applicable Borrower(s) will duly and punctually pay or cause to be paid the principal and interest on the Loans, all Bankers' Acceptances, all Letters of Credit, fees and other amounts provided for in this Agreement and the other Loan Documents, all in accordance with the terms of this Agreement and such other Loan Documents.

§8.2. Maintenance of Chief Executive Office. Ryder will maintain its chief executive office at the location referred to in §7.14 or at such other place in the United States as Ryder shall designate upon thirty (30) days prior written notice to the Agents.

§8.3. Records and Accounts. Each of the Borrowers will, and will cause each of its Consolidated Subsidiaries to, (a) keep true and accurate records and books of account in which full, true and correct entries will be made in accordance with (i) with respect to Ryder and its Consolidated Subsidiaries only, GAAP and (ii) with respect to each such Person, the requirements of all regulatory authorities and (b) maintain adequate accounts and reserves for all taxes (including income taxes), depreciation, depletion, obsolescence and amortization of its properties, all other contingencies, and all other proper reserves in accordance with GAAP with respect to Ryder and its Consolidated Subsidiaries and in accordance with all regulatory authorities with respect to each of the other Borrowers; provided that if any changes in GAAP with which Ryder's independent accountants concur or changes in the application of GAAP with which Ryder's independent accountants concur result in a change (other than an immaterial change) in the method of calculation or the basis upon which such calculation is made of any of the financial covenants, standards or terms contained in this Agreement, the Borrowers and the Banks agree to amend such provisions to reflect such changes in GAAP so that the criteria for evaluating the consolidated financial condition of Ryder and its Consolidated Subsidiaries shall be the same after such accounting changes as if such changes had not been made.

§8.4. Financial Statements, Certificates and Information. Ryder will deliver to each of the Banks, the Issuing Bank and the Agents:

(a) as soon as practicable, but, in any event not later than one hundred twenty (120) days after the end of each fiscal year of Ryder, the consolidated balance sheet of Ryder and its Consolidated Subsidiaries as at the end of such year, and the consolidated statements of income and cash flows for Ryder and its Consolidated Subsidiaries for the fiscal year then ended, each setting forth in comparative form the figures for the previous fiscal year, all such consolidated financial statements to be in reasonable detail, prepared, in accordance with GAAP audited and accompanied by a report and opinion of independent certified public accountants of nationally recognized standing selected by Ryder, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any “going concern” or like qualification or exception or any qualification or exception as to the scope of such audit. In addition, within one hundred twenty (120) days of the end of each such fiscal year, Ryder shall provide the Banks with a written statement from such accountants to the effect that they have read a copy of this Agreement, and that, in making the examination necessary to said certification, they have obtained no knowledge of any Default or Event of Default, or, if such accountants shall have obtained knowledge of any then-existing Default or Event of Default they shall disclose in such statement any such Default or Event of Default; provided that such accountants shall not be liable to the Banks for failure to obtain knowledge of any Default or Event of Default;

(b) as soon as practicable, but in any event not later than sixty (60) days after the end of each of the first three fiscal quarters of each fiscal year of Ryder, copies of the consolidated balance sheets of Ryder and its Consolidated Subsidiaries as at the end of such quarter, and the related consolidated statements of income and cash flows for the portion of the fiscal year then ended, all in reasonable detail and prepared in accordance with GAAP (to the extent GAAP is applicable to interim unaudited financial statements) with a certification by the principal financial officer of Ryder that the consolidated financial statements are prepared in accordance with GAAP (to the extent GAAP is applicable to interim unaudited financial statements) and fairly present the consolidated financial condition of Ryder and its Consolidated Subsidiaries on a consolidated basis as at the close of business on the date thereof and the results of operations for the period then ended;

(c) simultaneously with the delivery of the financial statements referred to in (a) and (b) above, a certificate in the form of Exhibit C hereto (the “Compliance Certificate”) signed by the principal financial officer, treasurer or assistant treasurer of Ryder, stating that Ryder and its Consolidated Subsidiaries are in compliance with §10 hereof as of the end of the applicable period setting forth in reasonable detail computations evidencing such compliance and certifying (i) no Default or Event of Default exists or if a Default or Event of Default shall then exist, specifying the nature thereof and (ii) such other matters as are set forth therein;

(d) as soon as practicable but, in any event, within thirty (30) Business Days after the issuance thereof, copies of all material of a financial nature filed with the

Securities and Exchange Commission or sent to the stockholders of Ryder or any of its Subsidiaries generally; and

(e) from time to time, and with reasonable promptness, such other financial data and other information as the Banks may reasonably request.

The Borrowers hereby authorize each Bank to disclose any information obtained pursuant to this Agreement to all appropriate governmental regulatory authorities where required by Law, including, without limitation, with respect to requests or directives, whether or not having the force of law. Except for any such disclosure to governmental banking regulatory authorities upon the request therefor, the applicable Agent or Bank or the Issuing Bank shall, to the extent practicable and legally permissible, provide prompt written notice to Ryder so that Ryder may have the opportunity to contest such disclosure and such Agent or Bank or the Issuing Bank shall use reasonable efforts within Law to maintain the confidentiality of such Information.

Documents required to be delivered pursuant to §§8.4(a), (b) and (c) (to the extent any such documents are included in materials otherwise filed with the Securities and Exchange Commission) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which Ryder posts such documents, or provides a link thereto on its website on the Internet at www.ryder.com; or (ii) on which such documents are posted on Ryder's behalf on an Internet or intranet website, if any, to which each Bank and the Agents have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) Ryder shall deliver paper copies of such documents to the Administrative Agent or any Bank that requests Ryder to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Bank and (ii) Ryder shall notify the Administrative Agent and each Bank (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything contained herein, in every instance Ryder shall be required to provide paper copies of the Compliance Certificates required by §8.4(c) to the Administrative Agent. Except for such Compliance Certificates, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by Ryder with any such request for delivery, and each Bank shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

Each Borrower hereby acknowledges that (a) the Administrative Agent and/or the Co-Lead Arrangers will make available to the Banks and the Issuing Bank materials and/or information provided by or on behalf of such Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks or another similar electronic system (the "Platform") and (b) certain of the Banks (each, a "Public Bank") may have personnel who do not wish to receive material non-public information with respect to any of the Borrowers or their respective Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. Each Borrower hereby agrees that so long as such Borrower is the issuer of any outstanding debt or equity securities that are registered or issued pursuant to a private offering or

is actively contemplating issuing any such securities (w) all Borrower Materials that are to be made available to Public Banks shall be clearly and conspicuously marked “PUBLIC” which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof; (x) by marking Borrower Materials “PUBLIC,” the Borrowers shall be deemed to have authorized the Administrative Agent, the Co-Lead Arrangers, the Issuing Bank and the Banks to treat such Borrower Materials as not containing any material non-public information with respect to the Borrowers or their respective securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in §29); (y) all Borrower Materials marked “PUBLIC” are permitted to be made available through a portion of the Platform designated “Public Side Information;” and (z) the Administrative Agent and the Co-Lead Arrangers shall be entitled to treat any Borrower Materials that are not marked “PUBLIC” as being suitable only for posting on a portion of the Platform not designated “Public Side Information.” Notwithstanding the foregoing, no Borrower shall be under any obligation to mark any Borrower Materials “PUBLIC.”

§8.5. Corporate Existence; Compliance with Laws, Other Agreements. Each of the Borrowers will, and Ryder will cause each of its Consolidated Subsidiaries (other than its Immaterial Subsidiaries) to, (a) keep in full force and effect their respective corporate existence and all rights, licenses, leases and franchises reasonably necessary to the conduct of its business, and (b) comply with (i) all applicable Laws and regulations (including, without limitation, all Environmental Laws) wherever its business is conducted, (ii) the provisions of its charter documents, by-laws and constitutional documents, and (iii) all agreements and instruments by which it or any of its properties may be bound and all applicable decrees, orders and judgments, in each case in such manner that there will not result a material and adverse effect on the financial condition, properties or business of the Borrowers, considered separately, or Ryder and its Consolidated Subsidiaries considered as a whole.

§8.6. Maintenance of Properties. Each of the Borrowers will, and Ryder will cause each of its Consolidated Subsidiaries to, cause all material properties used or useful in the conduct of its business to be maintained and kept in good condition, repair and working order (ordinary wear and tear excepted) and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of Ryder and its Consolidated Subsidiaries may be necessary for the conduct of their business; provided, however, that nothing in this section shall prevent Ryder or any of its Consolidated Subsidiaries from discontinuing the operation and maintenance of any of its properties if such discontinuance is, in the judgment of such Person, desirable in the conduct of its business and which does not in the aggregate materially adversely affect the financial condition, business or assets of Ryder and its Consolidated Subsidiaries, taken as a whole.

§8.7. Insurance. Each of the Borrowers will, and Ryder will cause each of its Consolidated Subsidiaries to, maintain (either in the name of such Borrower or in such Subsidiary’s own name), insurance with respect to their properties in at least such amounts and against at least such risks (and with such risk retention) as are usually insured against in the same general area by companies of established repute engaged in the same or a similar business and of

similar size; and will furnish to the Banks, upon request of the Administrative Agent, information presented in reasonable detail as to the insurance so carried.

§8.8. Taxes. Each of the Borrowers will, and Ryder will cause each of its Consolidated Subsidiaries to, duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments and other governmental charges imposed upon it and its real properties, sales and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials or supplies, which if unpaid might by Law become a lien or charge upon any of its property; provided that the Borrowers or any Consolidated Subsidiary shall not be required to pay any such tax, assessment, charge or levy if the same shall not at the time be due and payable or can be paid thereafter without penalty; or if the validity thereof shall currently be contested in good faith by appropriate proceedings if it shall have set aside on its books reserves deemed by it adequate with respect to such tax, assessment, charge or levy; or if the failure to pay such tax, assessment, charge or levy shall not result in a material adverse change in the financial position, results of operations, business or other condition of the Borrowers and their Consolidated Subsidiaries, taken as a whole.

§8.9. Inspection of Properties, Books and Contracts. The Banks, through the Agents or any of their designated representatives, shall have the right to visit and inspect any of the properties of the Borrowers to examine their books of account (and to make copies thereof and extracts therefrom), and to discuss the affairs, finances and accounts of the Borrowers with, and to be advised as to the same by, its officers, all at such reasonable times and intervals as the Banks may reasonably request.

§8.10. Notice of Potential Claims or Litigation. Each of the Borrowers shall deliver to the Banks, within thirty (30) days of receipt thereof, written notice of the initiation of any action, claim, complaint, or any other notice of dispute or potential litigation, including pursuant to any applicable Environmental Laws, against any of the Borrowers or any of Ryder's Consolidated Subsidiaries, including, without limitation, the initiation of any action, claim, complaint, or any other notice of dispute or potential litigation, including pursuant to any applicable Environmental Laws brought by any Governmental Authority, wherein the potential liability is in excess of \$50,000,000 and which are required to be reported pursuant to Regulation S-K under the Securities Act of 1933.

§8.11. Notice of Default. Each of the Borrowers will promptly notify the Banks in writing of the occurrence of any Default or Event of Default.

§8.12. Use of Proceeds. The proceeds of the Loans, borrowings by Bankers' Acceptances and the Letters of Credit shall be used for general corporate purposes and working capital purposes. No Loans or Bankers' Acceptances or any portion of any Letter of Credit shall be used in any way that will violate Regulations T, U or X of the Board of Governors of the Federal Reserve System. The Borrowers will not use the proceeds of any Loan or borrowing by way of Bankers' Acceptances or any portion of any Letter of Credit to purchase or carry any "margin security" or "margin stock" (as such terms are defined in said Regulations U and X).

§8.13. Debt Ratings. The Borrowers will notify the Agents promptly upon becoming aware thereof, of any publicly announced change in the Senior Public Debt Ratings and/or any change in the rating of any other Indebtedness of any of their Subsidiaries which is rated by S&P, Moody's or Fitch.

§8.14. Notice of any ERISA Event. Each of the Borrowers will promptly notify the Banks in writing of the occurrence of any ERISA Event.

§8.15. Further Assurances. Each of the Borrowers will cooperate with the Agents and execute such further instruments and documents as any Agent shall reasonably request to carry out to the Banks' satisfaction the transactions contemplated by this Agreement.

§8.16. Anti-Corruption Laws; Anti-Money Laundering Laws; Sanctions. Each of the Borrowers will, and Ryder will cause each of its Consolidated Subsidiaries to, (a) conduct its business in compliance with (i) the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions, (ii) Anti-Money Laundering Laws and (iii) applicable Sanctions and (b) maintain policies and procedures designed to promote and achieve compliance with such anti-corruption laws, such Anti-Money Laundering Laws and such Sanctions.

§9. CERTAIN NEGATIVE COVENANTS OF THE BORROWERS. Each of the Borrowers agrees that, so long as any Obligation is outstanding or the Banks have any obligation to make Loans, or the Canadian Banks have any Obligations with respect to Bankers' Acceptances, or the Issuing Bank has any obligation to issue, extend or renew any Letters of Credit:

§9.1. Restrictions on Secured Indebtedness. None of the Borrowers nor any of their Consolidated Subsidiaries shall create, incur, assume, or be or remain liable, contingently or otherwise, with respect to any Secured Indebtedness other than:

(a) Secured Indebtedness consisting of (i) Indebtedness of Ryder's Consolidated Subsidiaries to a Borrower and (ii) unsecured Intercompany Indebtedness; and

(b) other Secured Indebtedness (including, without limitation, Indebtedness under capitalized leases); provided that the aggregate amount of Secured Indebtedness outstanding, pursuant to this §9.1(b) shall not exceed at any time thirty percent (30%) of the Adjusted Consolidated Tangible Assets of Ryder and its Consolidated Subsidiaries, determined at such time.

For purposes of calculating the amount of Secured Indebtedness of Ryder and its Consolidated Subsidiaries under §9.1(b), Ryder shall be deemed to have incurred Secured Indebtedness in an amount equal to the aggregate amount of all Derivatives Obligations which are secured by a lien permitted pursuant to Section §9.2(e).

§9.2. Restrictions on Liens. None of the Borrowers will, nor will Ryder permit any of its Consolidated Subsidiaries to, create or incur or suffer to be created or incurred or to exist any Lien upon any property or assets of any character, except as follows (the “Permitted Liens”):

(a) Liens securing Secured Indebtedness; provided that such Secured Indebtedness is permitted by §9.1 hereof; provided further that the aggregate net book value of the assets of Ryder and its Consolidated Subsidiaries securing Secured Indebtedness which (i) consists of Indebtedness included within clause (a) of the definition of “Secured Indebtedness” and (ii) is incurred pursuant to §9.1(b), shall not, at any time, exceed an amount equal to two-hundred percent (200%) of the aggregate outstanding principal amount of such Secured Indebtedness;

(b) any encumbrances consisting of zoning restrictions, exceptions, easements, leases or other like restrictions on the use of Real Property which do not materially impair the use of such property;

(c) the following Liens or charges which are not yet due or are payable without penalty or of which the amount, applicability or validity is being contested in good faith by appropriate proceedings:

(i) Liens for taxes, assessments or other governmental charges;

(ii) Liens given in the ordinary course of business pursuant to any governmental regulation in order to allow Ryder or a Consolidated Subsidiary to maintain self-insurance, or to participate in any fund or participate in any benefits in connection with worker’s compensation, unemployment insurance, old age pensions or other social security, or for any other purpose at any time required by Law or governmental regulation as a condition to the transaction of business or the exercise of any privilege or license;

(iii) mechanic’s, carrier’s, worker’s, warehouseman’s, landlord’s or other like Liens arising in the ordinary course of business, including Liens incident to construction;

(iv) any inchoate Liens arising under ERISA to secure any contingent liability of Ryder or a Consolidated Subsidiary; and

(v) other Liens incidental to the conduct of business or ownership of property and assets which were not incurred in connection with the borrowing of money and which do not in the aggregate materially impair the use of property or assets of Ryder or its Consolidated Subsidiaries;

(d) Liens on accounts receivable subject to the Receivables Purchase Agreements referred to in §9.3(d);

(e) Liens on cash, cash equivalents and marketable securities securing Derivatives Obligations; and

(f) Liens on assets subject to the securitization permitted pursuant to §9.3(e).

§9.3. Corporate Changes and Sales or Dispositions of Assets. Each of the Borrowers will not, and Ryder will not permit any of its Consolidated Subsidiaries to, become a party to any merger, consolidation, asset acquisition, stock acquisition or disposition of assets, with the following exceptions (provided that such merger, consolidation, acquisition or disposition would not cause Ryder to not be in compliance with all the covenants and conditions of this Agreement):

(a) mergers of a Consolidated Subsidiary into another Consolidated Subsidiary of Ryder, or mergers or consolidations pursuant to which Ryder is the surviving Person;

(b) acquisitions of interests in other corporations or business entities (either through the purchase of assets or capital stock or otherwise);

(c) dispositions of assets in the ordinary course of business;

(d) sales by Ryder and its Subsidiaries of their accounts receivable pursuant to the Receivables Purchase Agreements; provided that (i) the aggregate face amount of all accounts receivable of Ryder treated as purchased receivables and sold by Ryder and/or its Subsidiaries to the securitization conduit under the Receivables Purchase Agreements shall not exceed at any time the lesser of (A) seventy-five percent (75%) of the aggregate face amount of all accounts receivable of Ryder and its Consolidated Subsidiaries, taken as a whole, including the accounts receivable which constitute purchased receivables under the Receivables Purchase Agreements and (B) \$425,000,000, and (ii) from and after the date of the first sale of accounts receivable pursuant to the Receivables Purchase Agreements, the cumulative net cash proceeds received by Ryder from sales of accounts receivable thereunder shall not be less than seventy-five percent (75%) of the cumulative face amount of all accounts receivable of Ryder sold thereunder;

(e) the securitization, in one or more securitization transactions, by Ryder of trucks, tractors and trailers (collectively, the "Securitized Assets") together with the financial component of their associated lease and service agreements; provided that (i) the unamortized balance of all Indebtedness of Ryder and its Consolidated Subsidiaries or of any special purpose securitization subsidiary or conduit incurred in connection with such securitization programs (excluding any Indebtedness as to which Ryder or any of its Consolidated Subsidiaries is the holder) shall not, at any time, exceed \$1,250,000,000 and (ii) the cumulative net cash proceeds received by Ryder in connection with such securitization transactions shall not be less than seventy-five percent (75%) of the net book value of all such Securitized Assets; and

(f) other dispositions of assets not otherwise permitted by the foregoing clauses of this section; provided that (i) the aggregate fair market value of assets so disposed of in any consecutive twelve (12) month period shall not exceed ten percent (10%) of the aggregate book value of all Consolidated Tangible Assets of Ryder and its Consolidated Subsidiaries, determined in accordance with GAAP, measured as of the first day of such twelve (12) month period and (ii) the revenue attributable to the assets so

disposed of in any consecutive twelve (12) month period shall not exceed twenty percent (20%) of the revenues of Ryder and its Consolidated Subsidiaries during such twelve (12) month period, determined in accordance with GAAP.

§9.4. Leasebacks. Each of the Borrowers will not, and Ryder will not permit any of its Consolidated Subsidiaries to, sell, transfer or otherwise convey any property of Ryder or any Consolidated Subsidiary more than one hundred twenty (120) days after the acquisition thereof for purposes of leasing back such property except:

- (a) leasebacks with a term of three years or less (including all permitted extensions and renewals);
- (b) leasebacks whereby the proceeds from the sale or transfer of property are used to reduce the Obligations or other Indebtedness of a rank at least equal to the Obligations; or
- (c) leasebacks permitted by §9.1 and §9.2.

§9.5. Limitation on Agreements. Each of the Borrowers will not, and Ryder will not permit any of its Consolidated Subsidiaries to, enter into any agreement which restricts or prohibits any guarantees, advances, dividends or distributions (a) from any Consolidated Subsidiary to such Borrower, or (b) between or among Consolidated Subsidiaries. Notwithstanding the foregoing, any Consolidated Subsidiary of Ryder may issue capital stock which is preferred as to dividends or upon liquidation to any other capital stock of such Consolidated Subsidiary (“Preferred Stock”); provided that (i) the aggregate liquidation preference of all such Preferred Stock issued by Ryder’s Consolidated Subsidiaries which is not owned by Ryder and its Consolidated Subsidiaries does not, at any time, exceed five percent (5%) of Consolidated Adjusted Net Worth at such time, (ii) immediately before, and immediately after, and after giving effect to such issuance of Preferred Stock, no Default or Event of Default shall have occurred and be continuing, and (iii) prior to the issuance by any Subsidiary of Preferred Stock, such Subsidiary shall have delivered to the Administrative Agent, for the benefit of the Banks, the Issuing Bank and the Agents, a guarantee of the Obligations in form and substance satisfactory to the Administrative Agent (it being understood that the obligations of such Subsidiary under such guaranty shall be limited to the aggregate amount of the liquidation preference of all such Preferred Stock issued by such Subsidiary which is not owned by Ryder and its Consolidated Subsidiaries), together with corporate authority documentation and a legal opinion, in form and substance satisfactory to the Administrative Agent, as to the authorization, execution, delivery and enforceability of such guaranty. The Borrowers, the Agents, the Issuing Bank and the Banks agree that each such guaranty shall be deemed to be a “Loan Document” hereunder.

§9.6. Sanctions. Each of the Borrowers will not, directly or indirectly, knowingly use the proceeds of any Loan or L/C Credit Extension, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person, (a) to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or (b) if such use of proceeds or funding will result in a

violation by any such Person (including any Person participating in the transaction, whether as Bank, Co-Lead Arranger, Agent, Issuing Bank, Swing Line Lender) of Sanctions.

§9.7. Anti-Corruption Laws and Anti-Money Laundering Laws. Each of the Borrowers will not, directly or indirectly, knowingly use the proceeds of any Loan or L/C Credit Extension for any purpose which would breach (a) the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions or (b) Anti-Money Laundering Laws.

§10. FINANCIAL COVENANT OF THE BORROWERS. Each of the Borrowers agrees that, so long as any Obligation is outstanding or the Banks have any obligation to make Loans, or the Canadian Banks have any Obligations with respect to Bankers' Acceptances, or the Issuing Bank has any obligation to issue, extend or renew any Letters of Credit:

§10.1. Debt to Consolidated Adjusted Net Worth. Ryder will not, at any time, permit the ratio of (a) the aggregate amount of Indebtedness of Ryder and its Consolidated Subsidiaries to (b) Consolidated Adjusted Net Worth of Ryder and its Consolidated Subsidiaries to exceed 3.00:1.00.

§11. CONDITIONS TO CLOSING/EFFECTIVENESS. The effectiveness of this Agreement and the obligations of the Banks to make any Loans, of the Canadian Banks to accept or purchase any Bankers' Acceptance, of the Issuing Bank to issue, extend or renew any Letter of Credit and of the Banks to otherwise be bound by the terms of this Agreement as of the Closing Date shall be subject to the satisfaction of each of the following conditions precedent:

§11.1. Corporate Action. All corporate action necessary for the valid execution, delivery and performance by the Borrowers of the Loan Documents shall have been duly and effectively taken, and evidence thereof certified by authorized officers of the Borrowers and satisfactory to the Banks shall have been provided to the Banks.

§11.2. Loan Documents, Etc. Each of the Loan Documents shall have been duly and properly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect in a form satisfactory to the Banks. Each of the representations and warranties of the Borrowers contained in §§7 and 7A of this Agreement shall be true as of the Closing Date.

§11.3. Certified Copies of Charter Documents. The Administrative Agent shall have received from each of the Borrowers a copy, certified by a duly authorized officer of such Person to be true and complete on the Closing Date, of (a) its charter or other incorporation documents as in effect on such date of certification and (b) its by-laws as in effect on such date. The Administrative Agent shall have received from each of the Borrowers a good standing certificate (or other similar certificate), if applicable, dated as of a recent date in each such Borrower's jurisdiction of incorporation.

§11.4. Incumbency Certificate. The Administrative Agent shall have received an incumbency certificate, dated as of the Closing Date, signed by duly authorized officers giving the name and bearing a specimen signature of each individual who shall be authorized: (a) to

sign the Loan Documents on behalf of each of the Borrowers; (b) to make Loan Requests and to apply for Letters of Credit; and (c) to give notices and to take other action on the Borrowers' behalf under the Loan Documents.

§11.5. Certificates of Insurance. The Banks shall have received a certificate of insurance, dated as of the Closing Date, or within thirty (30) days prior thereto, identifying insurers, types of insurance, insurance limits, and policy terms.

§11.6. Opinions of Counsel. The Banks shall have received a favorable legal opinion from (i) Ryder Law Department, United States counsel to the Borrowers, (ii) Ryder Law Department, United Kingdom counsel to the U.K. Borrowers, (iii) Osler, Hoskin & Harcourt LLP, Ontario counsel to Ryder Canada Limited, (iv) Stewart McKelvey, Nova Scotia counsel to Ryder Holdings Canada and (v) Ryder Law Department, counsel to Ryder PR, in each case, addressed to the Agents and the Banks, dated the Closing Date, in form and substance satisfactory to the Agents and the Banks.

§11.7. Existing Credit Agreement. The Borrowers shall have (or concurrently with the extension of credit to be made on the Closing Date) (i) paid all accrued and unpaid interest on the outstanding loans under the Existing Credit Agreement through the Closing Date, (ii) prepaid any loans under the Existing Credit Agreement to the extent necessary to keep the outstanding loans ratable with the revised commitments under this Agreement as of the Closing Date, and (iii) paid all accrued fees owing to the lenders under the Existing Credit Agreement through the Closing Date.

§11.8. Financial Condition; Debt Ratings. No material adverse change, in the judgment of the Majority Banks, shall have occurred in the financial condition, results of operations, business, properties or prospects of Ryder and its Consolidated Subsidiaries, taken as a whole, since the audited financial statements of Ryder and its Consolidated Subsidiaries for the fiscal year ending December 31, 2017. There shall have occurred no material adverse change in the Senior Public Debt Ratings since December 31, 2017.

§11.9. Payment of Fees. Each of the Borrowers shall have paid the fees required to be paid on the Closing Date.

§11.10. Closing Date Compliance Certificate. Each of the Banks shall have received a Compliance Certificate, dated the Closing Date, in form and substance satisfactory to the Banks, evidencing the Borrowers' compliance with §10.1 hereto.

§11.11. Receipt of Financial Statements. Each of the Banks shall have received the financial statements of Ryder and its Consolidated Subsidiaries required to be delivered pursuant to §8.4(a) with respect to the fiscal year of Ryder ended December 31, 2017 and any financial statements of Ryder and its Consolidated Subsidiaries required to be delivered pursuant to §8.4(b) with respect to any subsequent period for which such information becomes available on or prior to the Closing Date, in form and substance satisfactory to the Banks.

§11.12. KYC Information. Each Bank shall have received (a) documentation and other information so requested by any such Bank in connection with applicable “know your customer” and Anti-Money Laundering Laws, and (b) with respect to any Borrower that qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to such Borrower to the extent requested by such Bank.

Without limiting the generality of the provisions of the last paragraph of §16.3, for purposes of determining compliance with the conditions specified in this §11, each Bank that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Bank unless the Administrative Agent shall have received notice from such Bank prior to the proposed Closing Date specifying its objection thereto.

§12. CONDITIONS TO ALL LOANS. The obligations of the Banks to make any Loan, the obligation of the Canadian Banks to accept or purchase any Bankers’ Acceptance and the obligation of the Issuing Bank to issue, extend or renew any Letter of Credit, in each case, at the time of and subsequent to the Closing Date is subject to the following conditions precedent:

§12.1. Representations True. Each of the representations and warranties contained in §7.1, §7.2, §7.6(a), §7.9, §7.10, §7.14, §7.17, §7.18 and §7A shall be true at and as of the time of the making of such Loan or the acceptance or purchase of such Bankers’ Acceptance or the issuance, extension or renewal of such Letter of Credit, as applicable, with the same effect as if made at and as of that time (except to the extent of changes resulting from transactions contemplated or permitted by this Agreement and changes occurring in the ordinary course of business which singly or in the aggregate are not materially adverse to the business, assets or financial condition of Ryder and its Consolidated Subsidiaries, taken as a whole, or to the extent that such representations and warranties relate expressly and solely to an earlier date).

§12.2. Performance; No Event of Default. The Borrowers shall have performed and complied with all terms and conditions required by §2, §3, or §4, as applicable, and this §12, and there shall exist no Default or Event of Default or condition which would result in a Default or an Event of Default upon consummation of such Loan or the acceptance and purchase of such Bankers’ Acceptance or the issuance, extension or renewal of such Letter of Credit, as applicable. Each request for a Loan or for the acceptance or purchase of a Bankers’ Acceptance or for the issuance, extension or renewal of a Letter of Credit shall constitute certification by the Borrowers that the conditions specified in this §12.2 will be duly satisfied on the date of such Loan.

§12.3. No Legal Impediment. No Change in Law shall have occurred as a consequence of which it shall have become and continue to be unlawful for (a) the first Loan to be made or the first Bankers’ Acceptance to be accepted and purchased hereunder or the first Letter of Credit to be issued, renewed or extended hereunder only, or for any Bank or the Issuing Bank to perform any of its agreements or obligations under any of the Loan Documents to which it is a party or (b) for any Borrower to perform any of its respective agreements or obligations under any of the Loan Documents.

§12.4. Delivery of Documents. The Borrower(s) shall have delivered to the applicable Agent(s) and the Issuing Bank, as applicable, the documentation required to be delivered hereunder in connection with such Loan or such Bankers' Acceptance or such Letter of Credit.

§12.5. Alternative Currency. In the case of a credit extension to be denominated in Canadian Dollars, Euros or Sterling, there shall not have occurred any change in the general availability of such currency as legal tender customarily used in the applicable jurisdiction which in the reasonable opinion of the Agents or the Majority Banks (in the case of any Loans to be denominated in Canadian Dollars, Euros or Sterling) would make it impossible or impracticable for such credit extension to be denominated in such currency.

§13. EVENTS OF DEFAULT; ACCELERATION; TERMINATION OF COMMITMENT.

§13.1. Events of Default and Acceleration. If any of the following events (each, an "Event of Default") shall occur:

(a) if any Borrower shall fail to pay any principal of the Loans made to such Borrower, any L/C Obligation or any obligation in respect of any Banker's Acceptance when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment and such default shall not have been remedied within one (1) Business Day after written notice thereof shall have been given to such Borrower and Ryder by an Agent;

(b) if the applicable Borrowers shall fail to pay any interest or fees owing by such Borrower hereunder when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment and such default shall not have been remedied within three (3) Business Days after written notice thereof shall have been given to such Borrower and Ryder by an Agent;

(c) if the Borrowers shall fail to comply with any of the covenants contained in §9.1, §9.2, §9.3, or §10.1 hereof;

(d) if the Borrowers shall fail to perform any term, covenant or agreement contained herein or in any of the other Loan Documents or pay any amounts (other than those specified in subsections (a), (b), and (c) above) and such failure shall not be remedied within twenty (20) days after written notice of such failure shall have been given to the Borrowers and Ryder by an Agent;

(e) if any representation, warranty or certification made in writing by or on behalf of any Borrower contained in this Agreement or in any document or instrument delivered pursuant to this Agreement shall prove to have been false in any material respect upon the date when made or repeated and such representation, warranty or certification shall be material at the time it shall have been determined to have been false or incorrect, and if such false representation, warranty or certification or its adverse effects shall be susceptible of cure, the Borrowers shall not, within a period of twenty

(20) days after written notice thereof has been given to the Borrowers and Ryder by the Administrative Agent, (i) have cured (to the satisfaction of the Majority Banks) the representation, warranty or certification and (ii) have cured the adverse effect of the failure of such representation, warranty or certification to have been true and correct when made or repeated;

(f) if any of the Borrowers or any of Ryder's Consolidated Subsidiaries shall (i) fail to pay within the later of (A) three (3) Business Days after maturity and (B) three (3) Business Days after any applicable period of grace, any Indebtedness, reimbursement obligation in respect of any letter of credit or the aggregate amount of any Derivatives Obligation, in each case, in an aggregate amount greater than \$75,000,000, or (ii) fail to observe or perform any material term, covenant or agreement contained in any one or more agreements by which it is bound, evidencing or securing any Indebtedness, reimbursement obligation in respect of any letter of credit or the aggregate amount of any Derivatives Obligation, in each case, in an aggregate amount greater than \$75,000,000, resulting in the acceleration of such Indebtedness;

(g) if any of the Borrowers or any of Ryder's Consolidated Subsidiaries makes an assignment for the benefit of creditors, or admits in writing its inability to pay or generally fails to pay its debts as they mature or become due, or petitions or applies for the appointment of a trustee or other custodian, liquidator or receiver of any such Person, or of any substantial part of the assets of any such Person or commences any case or other proceeding relating to any such Person under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar Law of any jurisdiction, now or hereafter in effect, or takes any action to authorize or in furtherance of any of the foregoing, or if any such petition or application is filed or any such case or other proceeding is commenced against any such Person or any such Person indicates its approval thereof, consent thereto or acquiescence therein;

(h) if a decree or order is entered appointing any trustee, custodian, liquidator or receiver or adjudicating any of the Borrowers or any of Ryder's Consolidated Subsidiaries bankrupt or insolvent, or approving a petition in any such case or other proceeding, or a decree or order for relief is entered in respect of any such Person in an involuntary case under the bankruptcy laws of any jurisdiction or any analogous proceeding, procedure or step is taken in any jurisdiction as now or hereafter constituted, and such decree or order remains in effect for more than sixty (60) days, whether or not consecutive;

(i) if there shall remain in force, undischarged, unsatisfied and unstayed, for more than sixty (60) days, whether or not consecutive, any judgment or order against any of the Borrowers or any of Ryder's Consolidated Subsidiaries which, with other outstanding judgments or orders against any such Person exceeds in the aggregate \$75,000,000;

(j) if any judicial lien or attachment on the property of any Borrower or any of Ryder's Consolidated Subsidiaries in an amount of \$75,000,000 or greater shall not be

released or provided for to the satisfaction of the Administrative Agent and the Majority Banks within sixty (60) days after such lien or attachment shall have come into existence;

(k) An ERISA Event occurs with respect to a Pension Plan and the Majority Banks shall have determined in their reasonable discretion that such event could reasonably be expected to result in liability of any of the Borrowers or any of their Subsidiaries under Title IV of ERISA to the Pension Plan or the PBGC in an aggregate amount in excess of \$75,000,000, and such event, under the circumstances could reasonably constitute grounds for the partial or complete termination of such Plan by the PBGC or for the appointment by the appropriate United States District Court of a trustee to administer such Plan; or a trustee shall have been appointed by the appropriate United States District Court to administer such Plan; or the PBGC shall have instituted proceedings to terminate such Plan;;

(l) if any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of fifty percent (50%) or more of the outstanding shares of common voting stock of Ryder; or, during any period of twelve consecutive calendar months, individuals who were directors of Ryder on the first day of such period shall cease to constitute a majority of the board of directors of Ryder (excluding any directors elected or nominated by such board); or

(m) if any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or if Ryder or any of its Consolidated Subsidiaries contests in any manner the validity or enforceability of any Loan Document, including any material rights and obligations thereunder; or if any Ryder, any Canadian Borrower, any U.K. Borrower or Ryder PR denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document;

then, and in any such event, so long as the same may be continuing, the Administrative Agent may, and upon the written or telephonic (confirmed in writing) requests of the Majority Banks, shall, by written notice to the Borrowers, declare all amounts under this Agreement and the Notes and all L/C Obligations to be forthwith due and payable, whereupon the same shall forthwith mature and become immediately due and payable, together with accrued interest thereon, without presentment, demand, protest or notice, all of which are hereby waived by each of the Borrowers, provided that in the case of the occurrence of any event specified in paragraphs (g) or (h) of this §13.1, all such amounts outstanding hereunder and under the Notes shall become due and payable forthwith without the requirement of any such notice or the action of any Person and without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by each of the Borrowers. Upon written demand by the Majority Banks after the occurrence of any Event of Default, and automatically without the necessity of demand in the event of any Event of Default specified in paragraphs (g) or (h) of this §13.1, Ryder shall immediately provide to the Administrative Agent cash in an amount equal to the aggregate L/C Obligations on all then outstanding Letters of Credit issued for the account of Ryder or any of its domestic Subsidiaries to be held by the Administrative Agent as Cash Collateral for such L/C Obligations.

§13.2. Termination of Commitments. If any Event of Default pursuant to §13.1(g) or §13.1(h) hereof shall occur, any unused portion of the Total Commitment hereunder shall forthwith terminate and the Banks and the Agents shall be relieved of all obligations to make Loans or to accept and purchase Bankers' Acceptances hereunder and the Issuing Bank shall be relieved of all further obligations to issue, extend or renew Letters of Credit; or if any other Event of Default shall occur, the Majority Banks may by notice to the Borrowers terminate the unused portion of the Total Commitment hereunder, and, upon such notice being given, such unused portion of the Total Commitment hereunder shall terminate immediately and the Banks and the Agents shall be relieved of all further obligations to make Loans or to accept and purchase Bankers' Acceptances and the Issuing Bank shall be relieved of all further obligations to issue, extend or renew Letters of Credit. No termination of any portion of the Total Commitment hereunder shall relieve the Borrowers of any of their existing Obligations to the Banks, the Issuing Bank or the Agents hereunder or elsewhere.

§13.3. Remedies. In case any one or more of the Events of Default shall have occurred and be continuing, and whether or not the Banks shall have accelerated the maturity of the Loans and other Obligations pursuant to §13.1, subject to §23A, each Bank, upon notice to the other Banks, if owed any amount with respect to the Loans, may proceed to protect and enforce its rights by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Agreement and the other Loan Documents or any instrument pursuant to which the Obligations to such Bank are evidenced, including, without limitation, as permitted by applicable Law the obtaining of the ex parte appointment of a receiver, and, if such amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any legal or equitable right of such Bank. No remedy herein conferred upon any Bank, the Issuing Bank or the Agents or the holder of any Note, Loan or any Obligations hereunder or purchaser of any participation in any Letter of Credit is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at Law or in equity or by statute or any other provision of Law.

§13.4. Judgment Currency. If, for the purpose of obtaining judgment in any court or obtaining an order enforcing a judgment, it becomes necessary to convert any amount due under this Agreement in Dollars or in any other currency (hereinafter in this §13.4 called the "first currency") into any other currency (hereinafter in this §13.4 called the "second currency"), then the conversion shall be made at the applicable Agent's spot rate of exchange for buying the first currency with the second currency prevailing at the applicable Agent's close of business on the Business Day next preceding the day on which the judgment is given or (as the case may be) the order is made. Any payment made to the Agents, the Issuing Bank or any Bank pursuant to this Agreement in the second currency shall constitute a discharge of the obligations of the applicable Borrowers to pay to the Agents, the Issuing Bank and the Banks any amount originally due to the Agent, the Issuing Bank and the Banks in the first currency under this Agreement only to the extent of the amount of the first currency which the applicable Agent, the Issuing Bank and each of the applicable Banks is able, on the date of the receipt by it of such payment in any second currency, to purchase, in accordance with the applicable Agent's, the Issuing Bank's and such Bank's normal banking procedures, with the amount of such second currency so received. If the

amount of the first currency falls short of the amount originally due to the applicable Agent, the Issuing Bank and the applicable Banks in the first currency under this Agreement, each of the applicable Borrowers agrees that it will indemnify the applicable Agent, the Issuing Bank and each of the applicable Banks against, and save the applicable Agent, the Issuing Bank and each of the applicable Banks harmless from, and make payment in respect thereof within three (3) Business Days after demand therefor, any shortfall so arising. This indemnity shall constitute an obligation of each such Borrower separate and independent from the other obligations contained in this Agreement, shall give rise to a separate and independent cause of action and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum or sums in respect of amounts due to the applicable Agent, the Issuing Bank or any applicable Bank under this Agreement or under any such judgment or order. Any such shortfall shall be deemed to constitute a loss suffered by the applicable Agent, the Issuing Bank and each such Bank, as the case may be, and the applicable Borrowers shall not be entitled to require any proof or evidence of any actual loss. The covenant contained in this §13.4 shall survive the payment in full of all of the other obligations of the Borrowers under this Agreement.

§14. SETOFF. Regardless of the adequacy of any collateral, during the continuance of any Event of Default, any deposits or other sums credited by or due from any of the Banks or any affiliate of a Bank to any of the Borrowers and any securities or other property of any of the Borrowers in the possession of such Bank or such affiliate of a Bank may be applied to or set off by such Bank against the payment of Obligations and, with respect to Ryder, Guaranteed Obligations, and any and all other liabilities, direct, or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, of such Borrower to such Bank, the other Banks, the Issuing Bank and the Agents. Any amounts set off pursuant to this §14 shall be distributed ratably in accordance with §28 among all of the Banks by the Bank setting off such amount; provided, that in the event that any Defaulting Bank shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of §2.16 and, pending such payment, shall be segregated by such Defaulting Bank from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Banks, and (y) the Defaulting Bank shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Bank as to which it exercised such right of setoff. If any Bank fails to share such setoff ratably, the Administrative Agent, the Canadian Agent and/or the U.K. Agent, as applicable, shall have the right to withhold such Bank's share of any Borrower's payments until each of the Banks shall have, in the aggregate, received a pro rata repayment.

§15. COSTS AND EXPENSES.

(a) The Borrowers shall pay (i) all reasonable documented out of pocket expenses incurred by each Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all

reasonable documented out of pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out reasonable documented of pocket expenses incurred by any Agent, any Bank or the Issuing Bank (including the reasonable fees, charges and disbursements of any counsel for any Agent, any Bank or the Issuing Bank), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Bankers' Acceptances and Letters of Credit issued hereunder, including all such reasonable documented out of pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans, Bankers' Acceptances or Letters of Credit.

(b) Reimbursement by Banks. To the extent that the Borrowers for any reason fails to indefeasibly pay any amount required under §15(a) to be paid by it to the Agents (or any sub-agent thereof), the Issuing Bank or any Related Party of any of the foregoing, each Bank severally agrees to pay to such Agent(s) (or any such sub-agent), the Issuing Bank or such Related Party, as the case may be, such Bank's Commitment Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount within three (3) Business Days after demand therefor, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent(s) (or any such sub-agent) or the Issuing Bank in its capacity as such, or against any Related Party of any of the foregoing acting for such Agents (or any such sub-agent) or Issuing Bank in connection with such capacity. The obligations of the Banks under this §15(b) are several and not joint.

(c) Payments. All amounts due under this Section shall be payable not later than ten (10) Business Days after demand therefor.

(d) Survival. The agreements in this Section shall survive the resignation of any Agent, the Issuing Bank and any Swing Line Lender, the replacement of any Bank, the termination of the Total Commitments and the repayment, satisfaction or discharge of all the other Obligations.

§15A. PAYMENTS SET ASIDE.

To the extent that any payment by or on behalf of a Borrower is made to the Administrative Agent, the Canadian Agent, the U.K. Agent, the Issuing Bank or any Bank, or the Administrative Agent, the Canadian Agent, the U.K. Agent, the Issuing Bank or any Bank exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the Canadian Agent, the U.K. Agent, the Issuing Bank or such Bank in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such

setoff had not occurred, and (b) each Bank and the Issuing Bank, as applicable, severally agrees to pay to the Administrative Agent, the Canadian Agent or the U.K. Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, the Canadian Agent or the U.K. Agent plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect. The obligations of the Banks and the Issuing Bank under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

§16. THE AGENTS.

§16.1. Appointment and Authority. Each of the Banks and the Issuing Bank hereby irrevocably appoints (a) Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents, (b) RBC to act on its behalf as the Canadian Agent hereunder and under the other Loan Documents and (c) Bank of America London to act on its behalf as the U.K. Agent hereunder and under the other Loan Documents, and authorizes each Agent to take such actions on its behalf and to exercise such powers as are delegated to such Agents by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this §16 are solely for the benefit of the Agents, the Banks and the Issuing Bank, and neither any Borrower nor any guarantor hereunder shall have rights as a third party beneficiary of any of such provisions.

§16.2. Rights as a Bank. The Person serving as the Administrative Agent, the Canadian Agent and the U.K. Agent hereunder shall have the same rights and powers in its capacity as a Bank as any other Bank and may exercise the same as though it were not an Agent and the term “Bank” or “Banks” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent, the Canadian Agent and the U.K. Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrowers or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent, Canadian Agent or the U.K. Agent hereunder and without any duty to account therefor to the Banks.

§16.3. Exculpatory Provisions. The Agents shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, no Agent:

(a) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that any Agent is required to exercise as directed in writing by the Majority Banks (or such other number or percentage of the Banks as shall be expressly provided for herein or in the other Loan Documents), provided that no Agent shall be required to take any action that, in its reasonable opinion or the opinion of

its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable Law;

(c) shall, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and no Agent shall be liable for the failure to disclose, any information relating to any of the Borrowers or any of their respective Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent, the Canadian Agent, the U.K. Agent or any of its Affiliates in any capacity; and

(d) shall, notwithstanding any provision of any Loan Document to the contrary, be obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

No Agent shall be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Banks (or such other number or percentage of the Banks as shall be necessary, or as the applicable Agent shall believe in good faith shall be necessary, under the circumstances as provided in §17) or (ii) in the absence of such Agent's own gross negligence or willful misconduct. No Agent shall be deemed to have knowledge of any Default unless and until notice describing such Default is given to such Agent by Ryder, a Bank or the Issuing Bank.

No Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in §11 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to such Agent.

No Agent shall be obliged to act in accordance with any instructions of any Bank or group of Banks until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Loan Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.

§16.4. Reliance by Agents. Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, the purchasing of any Bankers' Acceptance, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Bank or the Issuing Bank, the

applicable Agent may presume that such condition is satisfactory to such Bank or the Issuing Bank unless such Agent shall have received notice to the contrary from such Bank or the Issuing Bank prior to the making of such Loan, the purchasing of such Bankers' Acceptance or the issuance of such Letter of Credit. Each Agent may consult with legal counsel (who may be counsel for Ryder, the Borrowers or any of them), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

§16.5. Use of Sub-Agents. Each Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by such Agent. Any Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this §16 shall apply to any such sub-agent and to the Related Parties of such Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as an Agent hereunder.

§16.6. Resignation of an Agent. Any Agent may at any time give forty-five (45) days prior written notice of its resignation to the Banks, the Issuing Bank and Ryder. Upon receipt of any such notice of resignation, the Majority Banks shall have the right to appoint a successor (and, so long as no Default or Event of Default exists, shall be acceptable to Ryder (with such acceptance not to be unreasonably withheld or delayed)), which shall be a bank with an office in the appropriate jurisdiction for such Agent, or an Affiliate of any such bank. If no such successor shall have been so appointed by the Majority Banks and shall have accepted such appointment within thirty (30) days after such retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Banks and the Issuing Bank, appoint a successor Administrative Agent, Canadian Agent or U.K. Agent, as applicable, meeting the qualifications set forth above (and, so long as no Default or Event of Default exists, such successor appointed by the retiring Agent shall be acceptable to Ryder (with such acceptance not to be unreasonably withheld or delayed)); provided that if such Agent shall notify Ryder and the Banks that no qualifying Person has accepted such appointment or been approved by Ryder, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) all payments, communications and determinations provided to be made by, to or through such Agent shall instead be made by or to each Bank and the Issuing Bank directly, until such time as the Majority Banks appoint a successor Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent, Canadian Agent or U.K. Agent, as applicable, hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by Ryder to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between Ryder and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this §16 and §15 and §18 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their

respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as an Administrative Agent, the Canadian Agent or the U.K. Agent, as applicable.

Any resignation by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as Issuing Bank and Swing Line Lender. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Bank and Swing Line Lender, (b) the retiring Issuing Bank and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor Issuing Bank shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring Issuing Bank to effectively assume the obligations of the retiring Issuing Bank with respect to such Letters of Credit.

Any resignation by RBC as Canadian Agent pursuant to this Section shall also constitute its resignation as the Canadian Swing Line Lender. Upon the acceptance of a successor's appointment as Canadian Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the Canadian Swing Line Lender and (b) the retiring Canadian Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents.

Any resignation by Bank of America London as U.K. Agent pursuant to this Section shall also constitute the resignation of Bank of America as the U.K. Swing Line Lender. Upon the acceptance of a successor's appointment as U.K. Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the U.K. Swing Line Lender and (b) the retiring U.K. Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents.

§16.7. Non-Reliance on Agents and Other Banks. Each Bank and the Issuing Bank acknowledges that neither any Agent nor any Co-Lead Arranger has made any representation or warranty to it, and that no act by any Agent or any Co-Lead Arranger hereafter taken, including any consent to, and acceptance of any assignment or review of the affairs of any Borrower or any Affiliate thereof, shall be deemed to constitute any representation or warranty by any Agent or any Co-Lead Arranger to any Bank or the Issuing Bank as to any matter, including whether any Agent or any Co-Lead Arranger has disclosed material information in their (or their Related Parties') possession. Each Bank and the Issuing Bank represents to the Agents and the Co-Lead Arrangers that it has, independently and without reliance upon any Agent, any Lead Arranger, any other Bank, or the Issuing Bank or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis of, appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of each Borrower and its Subsidiaries, and all applicable bank or other regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrowers hereunder. Each Bank and the Issuing Bank also acknowledges that it will, independently and without reliance upon any Agent, any Co-Lead Arranger, any other Bank, the Issuing Bank or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit analysis, appraisals and decisions in taking or not taking action

under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrowers. Each Bank and the Issuing Bank represents and warrants that (a) the Loan Documents set forth the terms of a commercial lending facility and (b) it is engaged in making, acquiring or holding commercial loans in the ordinary course and is entering into this Agreement as a Bank or the Issuing Bank, as applicable, for the purpose of making, acquiring or holding commercial loans and providing other facilities set forth herein as may be applicable to such Bank or the Issuing Bank, as applicable, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Bank and the Issuing Bank agrees not to assert a claim in contravention of the foregoing. Each Bank and the Issuing Bank represents and warrants that it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Bank or the Issuing Bank, as applicable, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities.

§16.8. No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Co-Lead Arrangers, documentation agents or syndication agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, the Canadian Agent, the U.K. Agent, a Bank or the Issuing Bank hereunder.

§16.9. Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Borrower or guarantor hereunder, the Administrative Agent, or in the case of such proceeding not in the United States, the applicable local Agent (irrespective of whether the principal of any Loan, Bankers' Acceptance or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether any Agent shall have made any demand on any Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, Bankers' Acceptances, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Banks, the Issuing Bank and the Agents (including any claim for the reasonable compensation, expenses, disbursements and advances of the Banks, the Issuing Bank and the Agents and their respective agents and counsel and all other amounts due the Banks, the Issuing Bank and the Agents under §2.2, §3.3, §4.9, §4.10, §15 and §18) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Bank and the Issuing Bank to make such payments to the

Agents and, in the event that the Agents shall consent to the making of such payments directly to the Banks and the Issuing Bank, to pay to the Agents any amount due for the reasonable compensation, expenses, disbursements and advances of the Agents and their agents and counsel, and any other amounts due to such Agent under §2.2, §3.3, §4.9, §4.10, §15 and §18.

Nothing contained herein shall be deemed to authorize the Agents to authorize or consent to or accept or adopt on behalf of any Bank or Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Bank or Issuing Bank to authorize the Agents to vote in respect of the claim of any Bank or Issuing Bank in any such proceeding.

§16.10. ERISA Matters.

(a) Each Bank (x) represents and warrants, as of the date such Person became a Bank party hereto, to, and (y) covenants, from the date such Person became a Bank party hereto to the date such Person ceases being a Bank party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(i) such Bank is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Bank’s entrance into, participation in, administration of and performance of the Loans, the Bankers’ Acceptances, the Letters of Credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84–14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95–60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90–1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91–38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96–23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Bank’s entrance into, participation in, administration of and performance of the Loans, the Bankers’ Acceptances, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Bank is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84–14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Bank to enter into, participate in, administer and perform the Loans, the Bankers’ Acceptances, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Bankers’ Acceptances, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84–14 and (D) to the best knowledge of such Bank, the requirements of subsection (a) of Part I of PTE 84–14 are satisfied with respect to such Bank’s entrance into, participation in, administration of and performance of the Loans, the Bankers’ Acceptances, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Bank.

(b) In addition, unless either (1) clause (i) in the immediately preceding clause (a) is true with respect to a Bank or (2) a Bank has provided another representation, warranty and covenant in accordance with clause (iv) in the immediately preceding clause (a), such Bank further (x) represents and warrants, as of the date such Person became a Bank party hereto, to, and (y) covenants, from the date such Person became a Bank party hereto to the date such Person ceases being a Bank party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Borrower, that the Administrative Agent is not a fiduciary with respect to the assets of such Bank involved in such Bank's entrance into, participation in, administration of and performance of the Loans, the Bankers' Acceptances, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any other Loan Document or any documents related hereto or thereto).

§17. CONSENTS, AMENDMENTS, WAIVERS, ETC. Any action to be taken (including the giving of notice) may be taken, any consent or approval required or permitted by this Agreement or any other Loan Document to be given by the Banks may be given, any term of this Agreement, any other Loan Document or any other instrument, document or agreement related to this Agreement or the other Loan Documents or mentioned therein may be amended, and the performance or observance by the Borrowers or any other Person of any of the terms thereof and any Default or Event of Default (as defined in any of the above-referenced documents or instruments) may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Majority Banks; provided, however, that no such consent or amendment which affects the rights, duties or liabilities of any Agent, the Issuing Bank, or any Swing Line Lender, shall be effective without the written consent of such Person, as applicable; provided, further, that, (x) the Domestic Swing Line Commitment of a Domestic Swing Line Lender reflected on Schedule 1 may be amended from time to time by Ryder, the Administrative Agent and such Domestic Swing Line Lender, to reflect the Domestic Swing Line Commitment of such Domestic Swing Line Lender in effect from time to time, and (y) the L/C Commitment of an Issuing Bank reflected on Schedule 1 may be amended from time to time by Ryder, the Administrative Agent and such Issuing Bank, to reflect the L/C Commitment of such Issuing Bank in effect from time to time. In addition, no amendment, waiver or consent shall do any of the following unless in writing and signed by (a) each Bank: (i) waive any condition set forth in §11; (ii) change the definition of "Majority Banks"; (iii) amend this §17; or (iv) release any Borrower from its Obligations or release Ryder, in its capacity as guarantor, from its obligations under §5 hereof or in respect of the Guaranteed Obligations; or (b) each of the Banks directly affected thereby: (i) increase the principal amount of such Bank's Commitment (or subject any Bank to any additional obligations, including the extension of such Bank's Commitment); (ii) reduce the principal of or interest on the Loans or any Letter of Credit, L/C Obligations or any Bankers' Acceptance (including, without limitation, interest on overdue amounts) or any fees payable hereunder; (iii) change the Commitment Percentage of any Bank, except pursuant to §2.4 or §21, (iv) alter any provision relating to the pro rata treatment of the Banks as required hereby or (v) extend or postpone any date fixed for any payment in respect of principal or interest (including, without limitation, interest on overdue amounts) on the Notes or any L/C Obligation, or any fee hereunder.

Notwithstanding anything to the contrary herein, no Defaulting Bank shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Banks or each affected Bank may be effected with the consent of the applicable Banks other than Defaulting Banks), except that (x) the Commitment of any Defaulting Bank may not be increased or extended without the consent of such Bank and (y) any waiver, amendment or modification requiring the consent of all Banks or each affected Bank that by its terms affects any Defaulting Bank more adversely than other affected Banks shall require the consent of such Defaulting Bank.

Notwithstanding anything herein to the contrary, (A) in order to implement any additional Commitments in accordance with §2.1.5, this Agreement may be amended for such purpose (but solely to the extent necessary to implement such additional Commitments in accordance with §2.1.5) by each Borrower, the applicable Agent, and the applicable Banks providing such additional Commitments, (B) this Agreement may be amended pursuant to §6.17 as contemplated in such section, (C) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto, (D) each Bank is entitled to vote as such Bank sees fit on any bankruptcy reorganization plan that affects the Obligations, and each Bank acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code of the United States supersedes the unanimous consent provisions set forth herein, (E) the Majority Banks shall determine whether or not to allow a Borrower to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Banks, (F) this Agreement may be amended (or amended and restated) with the written consent of the Majority Banks, the Agents, each Borrower, and the relevant Banks providing such additional credit facilities (1) to add one or more additional credit facilities to this Agreement, to permit the extensions of credit from time to time outstanding hereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Obligations and the accrued interest and fees in respect thereof and to include appropriately the Banks holding such credit facilities in any determination of the Majority Banks, and (2) to change, modify or alter the provisions of this Agreement relating to the pro rata sharing of payments among the Banks to the extent necessary to effectuate any of the amendments (or amendments and restatements) enumerated in this clause (F), (G) if following the Closing Date, the Agents and the Borrowers shall have jointly identified an inconsistency, obvious error or omission, in each case, of a technical or immaterial nature, in any provision of the Loan Documents, then the Agents and the Borrowers shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Documents if the same is not objected to in writing by the Majority Banks within five (5) Domestic Business Days following receipt of notice thereof, and (H) as to any amendment, amendment and restatement or other modifications otherwise approved in accordance with this §17, it shall not be necessary to obtain the consent or approval of any Bank that, upon giving effect to such amendment, amendment and restatement or other modification, would have no Commitment or outstanding Obligations so long as such Bank receives payment in full of the principal of and interest accrued on Obligations made by, and all other amounts owing to, such Bank or accrued for the account of such Bank under this Agreement and the other Loan Documents at the time such amendment, amendment and restatement or other modification becomes effective.

§18. INDEMNIFICATION; DAMAGE WAIVER.

§18.1. Indemnification by the Borrowers. Each Borrower shall indemnify the Agents (and any sub-agent thereof), each Co-Lead Arranger, each syndication agent, each documentation agent, each Bank and the Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Borrower or any Affiliate of a Borrower hereunder arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of each Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in §6), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Substances on or from any property owned or operated by any Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to any Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Borrower or any guarantor hereunder, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by any Borrowers hereunder against an Indemnitee for breach in bad faith of such Indemnitee’s obligations hereunder or under any other Loan Document, if such Borrowers has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. The provisions of this §18.1 shall not apply to any litigation, proceeding or dispute solely between the Borrowers or any of their Consolidated Subsidiaries on the one hand and the Agents, the Issuing Bank or the Banks on the other hand, if the final non-appealable judgment in such litigation, proceeding or dispute is in favor of the Borrowers or any of their Consolidated Subsidiaries and against such Indemnitee.

§18.2. Reimbursement by Banks. To the extent that the Borrowers for any reason fail to indefeasibly pay any amount required under §18.1 to be paid by them to the Agents (or any sub-agent thereof), the Issuing Bank or any Related Party of any of the foregoing, each Bank severally agrees to pay to such Agent(s) (or any such sub-agent), the Issuing Bank or such Related Party, as the case may be, such Bank’s Commitment Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount within three (3) Business Days after demand therefor, provided that the unreimbursed

expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent(s) (or any such sub-agent) or the Issuing Bank in its capacity as such, or against any Related Party of any of the foregoing acting for such Agents (or any such sub-agent) or Issuing Bank in connection with such capacity. The obligations of the Banks under this §18.2 are several and not joint.

§18.3. Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, no Borrower shall assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Bankers' Acceptance or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in §18.1 shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

§18.4. Payments. All amounts due under this Section shall be payable not later than three (3) Business Days after demand therefor.

§18.5. Survival. The agreements in this Section shall survive the resignation of the Agents, the Issuing Bank and any Swing Line Lender, the replacement of any Bank, the termination of the Total Commitments and the repayment, satisfaction or discharge of all the other Obligations.

§19. TAXES.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of the respective Borrowers hereunder and under the other Loan Documents shall to the extent permitted by applicable Laws be made free and clear of, and without deduction for Taxes. If, however, applicable Laws require any Borrower or any Agent to withhold or deduct any Tax, such Tax shall be withheld or deducted in accordance with such Laws as determined by such Borrower or such Agent, as the case may be, upon the basis of the information and documentation to be delivered pursuant to §6.2.

(ii) If any Borrower or any Agent shall be required by the Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) such Agent shall withhold or make such deductions as are determined by such Agent to be required based upon the information and documentation it has received pursuant to §6.2, (B) such Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance

with the Code or the applicable Law or treaty, and (C) to the extent that the withholding or deduction is made on account of Indemnifiable Taxes or Other Taxes, the sum payable by such Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section) each of the Agents, Banks, the Issuing Bank or any holder of Notes, Loans or any Obligations hereunder, as the case may be, receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If any Borrower or any Agent shall be required by any applicable Laws other than the Code to withhold or deduct any Taxes from any payment, then (A) such Borrower or such Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to §6.2, (B) such Borrower or such Agent, to the extent required by such Laws, shall timely pay the full amount so withheld or deducted by it to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnifiable Taxes or Other Taxes, the sum payable by such Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section) the Agents, Banks, the Issuing Bank or any holder of Notes, Loans or any Obligations hereunder, as the case may be, receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iv) If any Indemnifiable Taxes are directly asserted against the applicable Agent, the Issuing Bank or any Bank with respect to any payment received by the Agents, the Issuing Bank or such Bank by reason of a Borrower's failure to properly deduct and withhold such Indemnifiable Taxes from such payment, the applicable Agent, the Issuing Bank or such Bank may pay such Indemnifiable Taxes and such Borrower will promptly pay all such additional amounts (including any penalties, interest or reasonable expenses) as are necessary in order that the net amount received by such Person after the payment of such Indemnifiable Taxes (including any Indemnifiable Taxes on such additional amount) shall equal the amount such Person would have received had not such Indemnifiable Taxes been asserted. Any such payment shall be made promptly after the receipt by such Borrower from the applicable Agent, the Issuing Bank or such Bank, as the case may be, of a written statement setting forth in reasonable detail the amount of the Indemnifiable Taxes and the basis of the claim.

(b) Payment of Other Taxes by the Borrowers. Without limiting the provisions of subsection (a) above, each Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Laws.

(c) Tax Indemnifications.

(i) Without limiting the provisions of subsection (a) and (b) above, each Borrower shall, and does hereby indemnify the Agents, each Bank and the Issuing Bank and shall make payment in respect thereof within three (3) Business Days after demand therefor (which demand must set forth in reasonable detail the

amount of such Indemnifiable Taxes or such Other Taxes, as the case may be, and the basis of the claim), for the full amount of any Indemnifiable Taxes or Other Taxes (including Indemnifiable Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) withheld or deducted by such Borrower or the applicable Agent or paid by the applicable Agent, such Bank or the Issuing Bank, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnifiable Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Each Borrower shall also, and does hereby, indemnify the Agents, and shall make payment in respect thereof within three (3) Business Days after demand therefor, for any amount which a Bank or the Issuing Bank for any reason fails to pay indefeasibly to the applicable Agent as required by clause (ii) of this subsection; provided, that such indemnity shall not affect any Bank's or Issuing Bank's obligation to indemnify any Borrower for such amounts, pursuant to clause (ii). A certificate as to the amount of any such payment or liability delivered to a Borrower by a Bank or the Issuing Bank (with a copy to the applicable Agent), or by the applicable Agent on its own behalf or on behalf of a Bank or the Issuing Bank, shall be conclusive absent manifest error.

(ii) Without limiting the provisions of subsection (a) or (b) above, each Bank and the Issuing Bank shall, and does hereby, indemnify, and shall make payment in respect thereof within three (3) Business Days after demand therefor, (A) each Agent against any Indemnifiable Taxes attributable to such Bank or the Issuing Bank (but only to the extent that any Borrower has not already indemnified such Agent for such Indemnifiable Taxes and without limiting the obligation of the Borrowers to do so) and any Excluded Taxes attributable to such Bank or the Issuing Bank, in each case, that are payable or paid by such Agent in connection with any Loan Document, and any and all related losses, claims, liabilities, penalties, interest and expenses (including the fees, charges and disbursements of any counsel for such Agent) and (B) each Borrower and each Agent against any and all Taxes and any and all related losses, claims, liabilities, penalties, interest and expenses (including the fees, charges and disbursements of any counsel for such Borrower or the applicable Agent) incurred by or asserted against such Borrower or the applicable Agent by any Governmental Authority as a result of the failure by such Bank or the Issuing Bank, as the case may be, to deliver, or as a result of the inaccuracy, inadequacy or deficiency of, any documentation required to be delivered by such Bank or the Issuing Bank, as the case may be, to such Borrower or the applicable Agent pursuant to §6.2. Each Bank and the Issuing Bank hereby authorizes the Agents, as applicable, to set off and apply any and all amounts at any time owing to such Bank or the Issuing Bank, as the case may be, under this Agreement or any other Loan Document against any amount due to the applicable Agent under this clause (ii). The agreements in this clause (ii) shall survive the resignation and/or replacement of any Agent, any assignment of rights by, or the replacement of, a Bank or the Issuing Bank, the termination of the Total Commitments and the repayment, satisfaction or discharge of all other Obligations. If the Borrowers shall pay any Taxes or make any payments with respect to any Taxes which are not Indemnifiable Taxes or Other Taxes, then the applicable Agent, the Issuing Bank or the Bank which has received any such payment or with respect to which any such payment was made shall reimburse the applicable Borrower, within ten (10) Business Days of request by such Borrower, the amount so

paid by such Borrower, together with interest at the Overnight Rate from the date such amounts were paid by such Borrower.

(d) Evidence of Payments. Upon request by a Borrower or the applicable Agent, as the case may be, after any payment of Taxes by such Borrower or by the Administrative Agent to a Governmental Authority as provided in this §19, such Borrower shall deliver to the applicable Agent or the applicable Agent shall deliver to such Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to such Borrower or the applicable Agent, as the case may be.

(e) Failure to Deduct or Withhold. In the event any taxing authority notifies any of the Borrowers that any of them has improperly failed to deduct or withhold any taxes (other than Indemnifiable Taxes) from a payment made hereunder to the Agents, the Issuing Bank or any Bank, the Borrowers shall timely and fully pay such taxes to such taxing authority.

(f) Mitigation of Indemnifiable Taxes. The Agents, the Issuing Bank or the Banks shall, upon the request of the Borrowers, take reasonable measures to avoid or mitigate the amount of Indemnifiable Taxes required to be deducted or withheld from any payment made hereunder if such measures can be taken without the imposition on such Person of any costs or expenses unless the Borrowers have agreed to reimburse such Person therefor or result in such Person in its reasonable judgment suffering any material legal or regulatory disadvantage; provided that if after the date hereof, any Change in Law results in the imposition on the Borrowers of a deduction or withholding obligation with respect to amount payable to banks or bank holding companies, to the extent that any such Change in Law relates to amounts payable hereunder and to the extent that such Change in Law results in banks or bank holding companies receiving an undue benefit arising as a result of the payment of such additional amount by the Borrowers, the Borrowers and the Agents shall make a reasonable, good faith effort to negotiate a change in the terms of this Agreement that would allocate the benefits and costs (if any) of such deductions and withholdings among the affected parties in a manner equitable to the Borrowers and the Banks (including the Issuing Bank, if applicable).

(g) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall an Agent have any obligation to file for or otherwise pursue on behalf of a Bank or the Issuing Bank, or have any obligation to pay to any Bank or the Issuing Bank, any refund of Taxes withheld or deducted from funds paid for the account of such Bank or the Issuing Bank, as the case may be. If an Agent, any Bank or the Issuing Bank determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by any Borrower or with respect to which any Borrower has paid additional amounts pursuant to this Section, it shall pay to such Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses

and net of any loss or gain realized in the conversion of such funds from or to another currency incurred by such Agent, such Bank or the Issuing Bank, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that each Borrower, upon the request of such Agent, such Bank or the Issuing Bank, agrees to repay the amount paid over to such Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to such Agent, such Bank or the Issuing Bank in the event such Agent, such Bank or the Issuing Bank is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require any Agent, any Bank or the Issuing Bank to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Borrower or any other Person.

(h) Right to Assert and Control Challenges to Indemnifiable Taxes or Other Taxes. If any Indemnifiable Taxes or Other Taxes are imposed that result in an indemnification or payment obligation on any Borrower, such Borrower shall be entitled, after the payment of such taxes pursuant to subsection (a) or (b) above, to challenge or dispute the imposition of such Indemnifiable Taxes or Other Taxes with the applicable Governmental Authority. A Borrower may request that the Agents, Banks and/or the Issuing Bank cooperate (such cooperation to be in the sole discretion of such Agent, such Bank or such Issuing Bank, as the case may be, and, in each case, at such Borrower's expense) in any such challenge, dispute, or proceeding.

(i) Survival. Without prejudice to the survival of any other agreement of the parties hereunder, the agreements and obligations of the Borrowers contained in this §19 shall survive the payment in full of the Obligations and the termination of the Commitments.

§20. SURVIVAL OF COVENANTS, ETC. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Unless otherwise stated herein, all covenants and agreements, representations and warranties made herein, in the other Loan Documents or in any documents or other papers delivered by or on behalf of the Borrowers pursuant hereto shall be deemed to have been relied upon by the Banks, the Issuing Bank and the Agents, notwithstanding any investigation heretofore or hereafter made by them and notwithstanding that the Agents or any Bank may have had notice or knowledge of any Default at the time of any credit extension, and shall survive the making by the Banks of the Loans and the acceptance and purchase of any Bankers' Acceptance and the issuance, extension or renewal of any Letters of Credit, as herein contemplated, and shall continue in full force and effect so long as any amount due under this Agreement, any Obligation, any Bankers' Acceptance, any Letter of Credit or any Note remains outstanding and unpaid or any Bank has any obligation to make any Loans or the Canadian Banks have any obligation to purchase and accept Bankers' Acceptances or the Issuing Bank has any obligation to issue, extend or renew any Letter of Credit. All statements contained in any certificate or other paper delivered by or on behalf of the Borrowers pursuant hereto shall constitute representations and warranties by the Borrowers hereunder.

§21. SUCCESSORS AND ASSIGNS; PARTICIPATION.

§21.1. Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Agent and each Bank and no Bank may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of §21.2, (ii) by way of participation in accordance with the provisions of §21.4, (iii) by way of pledge or assignment of a security interest pursuant to §21.5, or (iv) to an SPC in accordance with the provisions of §21.6 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided by §21.4 and, to the extent expressly contemplated hereby, the Indemnitees and the Related Parties of each Agent, the Issuing Bank and each Bank) any legal or equitable right, remedy or claim under or by reason of this Agreement.

§21.2. Conditions to Assignment by Banks. Except as provided herein, each Bank may assign to one or more Eligible Assignees all or a portion of its interests, rights and obligations under this Agreement, including, as applicable, all or a portion of its Domestic Commitment Percentage, its Canadian Commitment Percentage, its U.K. Commitment Percentage and/or its PR Commitment Percentage, its participations in L/C Obligations, Bankers' Acceptances and Swing Line Loans at the time owing to it, provided that any such assignment shall be subject to the following conditions:

(a) Minimum Amounts.

(i) in the case of an assignment of the entire remaining amount of the assigning Bank's Commitment and the Loans at the time owing to it or in the case of an assignment to a Bank or an affiliate of a Bank or an Approved Fund with respect to a Bank, no minimum amount need be assigned; and

(ii) in any case not described in §21.2(a)(i), the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Bank subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, Ryder otherwise consents (each such consent not to be unreasonably withheld or delayed).

(b) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Bank's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned, except that this clause (b) shall not apply to rights in respect of Swing Line Loans.

(c) Required Consents. No consent shall be required for any assignment except to the extent required by §21.2(a)(ii), and in addition:

(i) the consent of Ryder (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Bank or an affiliate of a Bank or an Approved Fund;

(ii) the consent of the applicable Agent (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to a Person that is not a Bank, an Affiliate of such Bank or an Approved Fund with respect to such Bank;

(iii) the consent of the Issuing Bank (such consent not to be unreasonably withheld or delayed) shall be required for any assignment of a Domestic Commitment or for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding); and

(iv) the consent of the applicable Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment of a Domestic Commitment, a Canadian Commitment or a U.K. Commitment, as the case may be.

(d) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; provided, however, that (i) the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment and (ii) the processing and recordation fee of \$3,500 shall not apply in the case of an assignment from a Bank to an Affiliate of such Bank. The assignee, if it is not a Bank, shall deliver to the Administrative Agent an Administrative Questionnaire.

(e) No Assignment to Certain Persons. No such assignment shall be made (A) to the Borrowers or any of their Affiliates or Subsidiaries, or (B) to any Defaulting Bank or any of its Subsidiaries, or any Person who, upon becoming a Bank hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural person.

(f) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Bank hereunder in whole or in part, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of Ryder and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Bank, to each of which the applicable assignee (as evidenced by its execution of the applicable Assignment and Assumption) and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment

liabilities then owed by such Defaulting Bank to the Agents or any Bank hereunder (and interest accrued thereon) in respect of all or the portion of the Loans, participations in Letters of Credit and Swing Line Loans, and the Commitment of such Defaulting Bank that is being assigned and (y) acquire (and fund as appropriate) its full pro rata share of the Loans and participations in Letters of Credit and Swing Line Loans in accordance with all or the portion of its Commitment Percentage that is being assigned. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Bank hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Bank for all purposes of this Agreement until such compliance occurs.

Ryder shall not be deemed to have unreasonably withheld its consent for the purposes of this section if it advises the Administrative Agent and the applicable assignor Bank in good faith of the competitive business reasons why Ryder does not desire a financing relationship with the proposed assignee.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to §21.3, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Bank under this Agreement, and the assigning Bank thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto) but shall continue to be entitled to the benefits of §6.7, §6.8, §6.10, §15, §18 and §19 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, each applicable Borrower (at its expense) shall execute and deliver a Note to the assignee Bank. Any assignment or transfer by a Bank of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Bank of a participation in such rights and obligations in accordance §21.4. In the case of any assignments by and between any Bank and any affiliate of such Bank, such Persons shall use their reasonable best efforts to coordinate the administration of this Agreement and approvals of any amendment, modification or waiver of any provision of this Agreement so as to minimize (to the extent reasonably possible) the administrative burden on the Borrowers.

§21.3. Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at the Administrative Agent's Head Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Banks, and the Commitments of, and principal amounts of the Loans, Bankers' Acceptances and L/C Obligations owing to, each Bank pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrowers, the Agents and the Banks shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Bank hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. In addition, the Administrative Agent shall maintain on the Register information regarding the designation, and revocation of designation, of any Bank as

a Defaulting Bank. The Register shall be available for inspection by the Borrowers and the Banks at any reasonable time and from time to time, or the Administrative Agent shall provide a copy to Ryder, upon reasonable prior notice.

§21.4. Participations. Any Bank may at any time, without the consent of, or notice to, the Borrowers or the Administrative Agent, sell participations to any Person (other than (w) a natural person, (x) a Defaulting Bank, (y) the Borrowers or any of the Borrower's Affiliates or Subsidiaries or (z) General Electric Capital Corporation or any affiliate of General Electric Capital Corporation) (each, a "Participant") in all or a portion of such Bank's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Bank's participations in L/C Obligations and/or Swing Line Loans, if applicable) owing to it) and/or Bankers' Acceptances; provided that (i) each such participation shall be in an amount of not less than \$5,000,000, (ii) such Bank's obligations under this Agreement shall remain unchanged, (iii) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations and (iv) the Borrowers, the Administrative Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Bank sells such a participation shall provide that such Bank shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Bank will not, without the consent of the Participant, agree to any amendment, waiver or other modification that would reduce the principal of or the interest rate on any Loans, L/C Obligations or Bankers' Acceptances, extend the term or increase the amount of the Commitment(s) of such Bank as it relates to such participant, if applicable, reduce the amount of any facility fees to which such participant is entitled, extend any regularly scheduled payment date for principal or interest or release any Borrower from its Obligations or release Ryder, in its capacity as guarantor, from its obligations under §5 hereof or in respect of the Guaranteed Obligations. Subject to this §21.4, each Borrower agrees that each Participant shall be entitled to the benefits of §6.7, §6.8, §6.10 and §19 to the same extent as if it were a Bank and had acquired its interest by assignment pursuant to §21.2; provided that no Participant shall be entitled to receive any amounts greater than the amounts that the selling Bank would have been entitled to receive had it not sold the participation; provided further that a Participant that would be a Foreign Bank if it were a Bank shall not be entitled to the benefits of §19 unless the Borrowers are notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with §6.2 as though it were a Bank. To the extent permitted by Law, so long as any Bank within 10 Business Days of selling any participation pursuant to this §21.4 notifies Ryder in writing of such participation and the Participant thereunder, each such identified Participant also shall be entitled to the benefits of §14 as though it were a Bank, provided such Participant agrees to be subject to §2.17 and §28 as though it were a Bank.

§21.5. Certain Pledges. Any Bank may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Bank from any of

its obligations hereunder or substitute any such pledgee or assignee for such Bank as a party hereto.

§21.6. Special Purpose Funding Vehicle. Notwithstanding anything to the contrary contained herein, any Bank (a “Granting Bank”) may grant to a special purpose funding vehicle which is a wholly-owned subsidiary of such Granting Bank or an affiliate of such Granting Bank identified as such in writing from time to time by the Granting Bank to the Administrative Agent and the Borrowers (an “SPC”) the option to provide all or any part of any Loan that such Granting Bank would otherwise be obligated to make pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to fund any Loan, and (ii) if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Loan, the Granting Bank shall be obligated to make such Loan pursuant to the terms hereof or, if it fails to do so, to make such payment to the Administrative Agent as is required under §6.15(a). Each party hereto hereby agrees that (i) neither the grant to any SPC nor the exercise by any SPC of such option shall increase the costs or expenses or otherwise increase or change the obligations of any Borrower under this Agreement (including its obligations under §6.7, §6.8, §6.10 and §19), (ii) no SPC shall be liable for any indemnity or similar payment obligation under this Agreement for which a Bank would be liable, and (iii) the Granting Bank shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Loan Document, remain the Bank of record hereunder. The making of a Loan by an SPC hereunder shall utilize the applicable Commitment of the Granting Bank to the same extent, and as if, such Loan were made by such Granting Bank. In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior debt of any SPC, it will not institute against, or join any other Person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceeding under the Laws of the United States or any State thereof. Notwithstanding anything to the contrary contained herein, any SPC may (i) with notice to, but without prior consent of the Borrowers and the Administrative Agent and without paying any processing fee therefor, assign all or any portion of its right to receive payment with respect to any Loan to the Granting Bank and (ii) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or guarantee or credit or liquidity enhancement to such SPC.

§21.7. [Reserved.]

§21.8. Resignation of Issuing Bank or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time the Issuing Bank assigns all of its Commitments and Loans pursuant to §21.2, the Issuing Bank may, upon 45 days’ notice to the Borrowers and the Banks, resign in its capacity as the Issuing Bank. In the event of any such resignation as Issuing Bank, Ryder, with the consent of the Administrative Agent, shall be entitled to appoint from among the Domestic Banks a successor Issuing Bank hereunder; provided, however, that no failure by Ryder to appoint any such successor shall affect the resignation of the Issuing Bank. If the Issuing Bank resigns in such capacity, it shall retain all the rights and obligations of the Issuing Bank hereunder with respect to all Letters of Credit

outstanding as of the effective date of its resignation as Issuing Bank and all L/C Obligations with respect thereto (including the right to require the Domestic Banks to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to §4.3).

Notwithstanding anything to the contrary contained herein, if at any time a Swing Line Lender assigns all of its Commitments and Loans pursuant to §21.2, such Swing Line Lender may, (i) upon 45 days' notice to the Borrowers and the Banks, resign in its capacity as a Swing Line Lender. In the event of any such resignation as a Swing Line Lender, Ryder, with the consent of the Administrative Agent (such consent not to be unreasonably withheld), shall be entitled to appoint from among the applicable Banks a successor Swing Line Lender hereunder; provided, however, that no failure by Ryder to appoint any such successor shall affect the resignation of such Bank as a Swing Line Lender. If a Swing Line Lender resigns in such capacity, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Banks to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to §2.12, §2.13 and §2.14 herein.

Upon the appointment of a successor Issuing Bank and/or Swing Line Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Bank or Swing Line Lender, as the case may be, and (b) the successor Issuing Bank shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring Issuing Bank to effectively assume the obligations of such retiring Issuing Bank with respect to such Letters of Credit.

§22. PARTIES IN INTEREST. All the terms of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto and thereto; provided, that the Borrowers shall not assign or transfer their rights or obligations hereunder or thereunder without the prior written consent of each of the Banks.

§23. Notices; Effectiveness; Electronic Communication.

§23.1. Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone, and except as provided in §23.2 below, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

- (a) if to a Borrower, any Agent, the Issuing Bank or a Swing Line Lender, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 23.1; and
 - (b) if to any other Bank, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire.
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Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in §23.2 below, shall be effective as provided in such §23.2.

§23.2. Electronic Communications. Notices, requests and other communications (including any notices or requests under §2, §3 or §4, but excluding for service of process) to the Banks and the Issuing Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Agents, provided that the foregoing shall not apply to notices to any Bank or Issuing Bank pursuant to §2, §3 or §4 if such Bank or Issuing Bank, as applicable, has notified the Agents that it is incapable of receiving notices under such Sections by electronic communication. The Agents or Ryder may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Agents otherwise prescribe, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

§23.3. The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Agents or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Borrower, any Bank, the Issuing Bank or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of any Borrower's or any Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful

misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to any Borrower, any Bank, the Issuing Bank or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

§23.4. Change of Address, Etc. Each of the Borrowers, the Agents, the Issuing Bank and the Swing Line Lenders may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Bank may change its address, telecopier or telephone number for notices and other communications hereunder by notice to Ryder, the Agents, the Issuing Bank and the Swing Line Lenders. In addition, each Bank agrees to notify the Agents from time to time to ensure that the Agents have on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Bank. Furthermore, each Public Bank agrees to cause at least one individual at or on behalf of such Public Bank to at all times have selected the “Private Side Information” or similar designation on the content declaration screen of the Platform in order to enable such Public Bank or its delegate, in accordance with such Public Bank’s compliance procedures and applicable Law, including United States Federal and state securities laws, to make reference to Borrower Materials that are not made available through the “Public Side Information” portion of the Platform and that may contain material non-public information with respect to the Borrowers or their securities for purposes of United States Federal or state securities laws.

§23.5. Reliance by Agents, Issuing Bank and Banks. The Agents, the Issuing Bank and the Banks shall be entitled to rely and act upon any notices (including telephonic Loan Requests and Swing Line Loan Requests) purportedly given by or on behalf of any Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. Ryder shall indemnify the Agents, the Issuing Bank, each Bank and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of any Borrower. All telephonic notices to and other telephonic communications with the Agents may be recorded by the Agents, and each of the parties hereto hereby consents to such recording.

§23A. No Waiver; Cumulative Remedies; Enforcement. No failure by any Bank or any Agent or any Borrower to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Borrowers or any guarantor hereunder or any of them shall be vested exclusively in, and all

actions and proceedings at Law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent (who shall act, subject to §16, at the direction of the Majority Banks (or such other number or percentage of the Banks as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary) if, and to the extent, so directed) for the benefit of all the Banks, the Agents and the Issuing Bank; provided, however, that the foregoing shall not prohibit (a) any of the Agents from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as an Agent) hereunder and under the other Loan Documents, (b) the Issuing Bank or any Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as Issuing Bank or Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Bank from exercising setoff rights in accordance with §14 (subject to the terms of §2.17 and §6.1), or (d) any Bank from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Borrower or guarantor under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent, Canadian Agent or U.K. Agent, as applicable, hereunder and under the other Loan Documents, then (i) the Majority Banks shall have the rights otherwise ascribed to such Agent pursuant to this §23A and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to §2.17 and §6.1, any Bank may, with the consent of the Majority Banks, enforce any rights and remedies available to it and as authorized by the Majority Banks.

§24. MISCELLANEOUS. The rights and remedies herein expressed are cumulative and not exclusive of any other rights which the Banks, the Issuing Bank, the Administrative Agent or the Agents would otherwise have. The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof. This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought. To the extent permitted by Law, no course of dealing or delay or omission on the part of any of the Banks or the Agents in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon the Borrowers shall entitle the Borrowers to other or further notice or demand in similar or other circumstances. Delivery of an executed counterpart of a signature page of this Agreement or any other Loan Document, or any certificate delivered thereunder, by fax transmission or e-mail transmission (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Agreement or such other Loan Document or certificate. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Loan Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

§25. WAIVER OF JURY TRIAL; ETC. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS

AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

§26. GOVERNING LAW; JURISDICTION; Service of Process. THIS AGREEMENT AND EACH OF THE OTHER LOAN DOCUMENTS ARE CONTRACTS UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SAID STATE (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW (OTHER THAN THE NEW YORK GENERAL OBLIGATIONS LAW §5-1401 and §5-1402)). EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY AGENT, ANY BANK OR THE ISSUING BANK MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION. EACH OF THE U.K. BORROWERS, THE CANADIAN BORROWERS AND RYDER PR HEREBY IRREVOCABLY APPOINTS RYDER AS ITS AGENT FOR THE SERVICE OF PROCESS. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

§27. SEVERABILITY. The provisions of this Agreement are severable and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or

part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction. Without limiting the foregoing provisions of this §27, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Banks shall be limited by Debtor Relief Laws, as determined in good faith by the Agents, the Issuing Bank or the Swing Line Lenders, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

§28. Pari Passu treatment.

(a) Notwithstanding anything to the contrary set forth herein, each payment or prepayment of principal and interest received after the occurrence and during the continuance of an Event of Default hereunder shall be distributed pari passu among the Banks, in accordance with the aggregate outstanding principal amount of the Obligations owing to each Bank divided by the aggregate outstanding principal amount of all Obligations.

(b) Following the occurrence and during the continuance of any Event of Default, each Bank agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against any Borrower (pursuant to §14 or otherwise), including a secured claim under Section 506 of the Bankruptcy Code or other security or interest arising from or in lieu of, such secured claim, received by such Bank under any applicable bankruptcy, insolvency or other similar Law or otherwise, obtain payment (voluntary or involuntary) in respect of the Notes, Loans, Bankers' Acceptances, Letters of Credit, L/C Obligations and other Obligations held by it as a result of which the unpaid principal portion of the Notes and the Obligations held by it shall be proportionately less than the unpaid principal portion of the Notes and Obligations held by any other Bank, it shall be deemed to have simultaneously purchased from such other Bank a participation in the Notes and Obligations held by such other Bank, so that the aggregate unpaid principal amount of the Notes, Obligations and participations in Notes and Obligations held by each Bank shall be in the same proportion to the aggregate unpaid principal amount of the Notes and Obligations then outstanding as the principal amount of the Notes and other Obligations held by it prior to such exercise of banker's lien, setoff or counterclaim was to the principal amount of all Notes and other Obligations outstanding prior to such exercise of banker's lien, setoff or counterclaim; provided, however, that if any such purchase or purchases or adjustments shall be made pursuant to this §28 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustments restored without interest.

(c) Following the occurrence and during the continuance of any Event of Default and unless and until the effectiveness of a transfer of Commitments pursuant to §28(d), each Bank agrees that it shall be deemed to have, automatically upon the occurrence of such Event of Default, purchased from each other Bank a participation in the risk associated with the Notes and Obligations held by such other Bank, so that the

aggregate principal amount of the Notes and Obligations held by each Bank shall be equivalent to such Bank's Total Commitment Percentage. Upon demand by the Administrative Agent, made at the request of the Majority Banks, each Bank that has purchased such participation (a "Purchasing Bank") shall pay the amount of such participation to the Administrative Agent for the account of each Bank whose outstanding Loans and participations in Bankers' Acceptances and L/C Obligations exceed their Total Commitment Percentages. Any such participation may, at the option of such Purchasing Bank, be paid in Dollars, Canadian Dollars, Sterling or Euros (the "Funding Currency") (in an amount equal to the then applicable Dollar Equivalent, Canadian Dollar Equivalent, Sterling Equivalent or Euro Equivalent, as the case may be, amount of such participation) and such payment shall be converted by the Administrative Agent at the Exchange Rate into the currency of the Loan, Bankers' Acceptance or L/C Obligation in which such participation is being purchased. The Borrowers agree to indemnify each Purchasing Bank for any loss, cost or expense incurred by such Purchasing Bank as a result of entering into any reasonable hedging arrangements between the Funding Currency and the currency of the Loan, Bankers' Acceptance or L/C Obligation in which such participation is being purchased in connection with the funding of such participation or as a result of any payment on account of such participation in a currency other than that funded by the Purchasing Bank.

(d) Upon the written instruction of the Majority Banks, the Total U.K. Commitment, Total Canadian Commitment and the Total PR Commitment shall be immediately transferred by the Borrowers to the Total Domestic Commitment; provided that (i) no such transfer of Commitments shall occur until the date of the acceleration of the Obligations pursuant to §13.1 and (ii) prior to requesting any such transfer of Commitments, the Agents and the Banks shall utilize their reasonable best efforts to avoid the imposition of withholding tax liability on Ryder which would arise as a result of any such transfer of Commitments (including, without limitation, to the extent useful, the use of participations pursuant to §28(c) and the use of fronting banks in the United Kingdom and Canada). Upon the effectiveness of any such transfer the outstanding U.K. Loans, Canadian Loans and PR Loans shall be repaid with advances made to Ryder under the Domestic Commitments, advanced by the Banks in such manner that after giving effect thereto, the percentage of the outstanding Loans, Bankers' Acceptances and L/C Obligation of each Bank will equal such Bank's Total Commitment Percentage of all outstanding Loans, Bankers' Acceptances and L/C Obligations.

(e) Each Borrower expressly consents to the foregoing arrangements and agrees that any Person holding such a participation in the Notes and the Obligations deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by such Borrower to such Person as fully as if such Person had made a Loan directly to such Borrower in the amount of such participation.

§29. CONFIDENTIAL INFORMATION.

Each of the Agents, the Banks and the Issuing Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective directors, officers, employees, agents, trustees, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential in accordance with the terms herein), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) to the extent necessary in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or any Eligible Assignee or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to a Borrower and its obligations, (g) subject to an agreement containing provisions substantially the same as those of this §29, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or any Eligible Assignee invited to be a Bank pursuant to §2.1.5, (h) with the consent of Ryder or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section by such Agent, Bank or Issuing Bank or (y) becomes available to the Administrative Agent, any Bank, the Issuing Bank or any of their respective Affiliates on a nonconfidential basis from a source other than Ryder which is authorized to disclose such Information. In the case of (b) (except disclosure to governmental banking regulatory authorities) or (c) of this paragraph, the applicable Agent or Bank or the Issuing Bank shall, to the extent practicable and legally permissible, provide prompt written notice to Ryder so that Ryder may have the opportunity to contest such disclosure and such Agent or Bank or the Issuing Bank shall use reasonable efforts within Law to maintain the confidentiality of such Information.

Except as otherwise agreed to herein or in any of the other Loan Documents, each of the Agents, the Issuing Bank and each Bank agrees that it will not, and it will use their best efforts to cause its agents, employees, advisors or any other Persons retained or engaged by such Agent or any such Bank, as the case may be (collectively, "Advisors"), not to, issue or release for external publication any article or advertising or publicity matter relating to the transactions contemplated by this Agreement without the prior written consent of Ryder.

For purposes of this Section, "Information" means all information received from Ryder or any Subsidiary relating to Ryder or any Subsidiary or any of their respective businesses, whether oral or written, including, without limitation, all data, reports, interpretations, forecasts and records, regardless of storage and transmission media or source, and all information derived, directly or indirectly, therefrom, which such Person or its Advisors obtains or to which such Person or its Advisors shall be afforded access in connection with the transactions contemplated by this Agreement or any of the other Loan Documents, but other than any such information that is available to the Administrative Agent, any Bank or the Issuing Bank on a nonconfidential basis prior to disclosure by Ryder or any Subsidiary. Any such Information shall be held and treated

by such Person in utmost and strictest confidence, and shall not, without the prior written consent of Ryder (which consent may be given or withheld in Ryder's sole discretion), be disclosed by such Person or any manner whatsoever, in whole or in part, or used by such Person, other than in accordance with this Section, and such Person shall use its best efforts to cause its Advisors to hold and treat such Information in utmost and strictest confidence and not to disclose or use such Information other than in accordance with this Section. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Banks and the Issuing Bank acknowledges that (a) the Information may include material non-public information concerning Ryder or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities laws.

Solely with respect to a Reference Rate and a U.K. Cost of Funds Rate, each of the Agents, the Banks, the Issuing Banks and the Borrowers agrees to keep each and any quotation of a Reference Rate or U.K. Cost of Funds Rate, as applicable, confidential and not to disclose such Reference Rate or such U.K. Cost of Funds Rate, as applicable, to any Person, except: (a) to any of its Affiliates, officers, directors, employees, professional advisers, and auditors; (b) any Person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation; (c) any Person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes; and (d) any other Person with the consent of the relevant U.K. Reference Bank; and in each of clauses (a), (b), (c) and (d) above, the Person proposing to disclose such Reference Rate or such U.K. Cost of Funds Rate, as applicable, shall use commercially reasonable efforts to inform the Person receiving such Reference Rate or such U.K. Cost of Funds Rate, as applicable, of its confidential nature. Determinations as to whether any Reference Rate or any U.K. Cost of Funds Rate, as applicable, may be disclosed under clauses (a), (b) and/or (c) above shall be made by the Person proposing to disclose such Reference Rate or such U.K. Cost of Funds Rate, as applicable, in each case, in its sole discretion, and such disclosure shall not require the consent of any Person. The foregoing confidentiality requirements in this paragraph notwithstanding, in the event that a Reference Rate or a U.K. Cost of Funds Rate, as applicable, becomes publicly available other than as a result of a breach of this paragraph by the Person proposing to disclose such Reference Rate or such U.K. Cost of Funds Rate, as applicable, or becomes available to the Person proposing to disclosure such Reference Rate or such U.K. Cost of Funds Rate, as applicable, on a nonconfidential basis from a source that is authorized to disclose such Reference Rate or such U.K. Cost of Funds Rate, as applicable, the foregoing confidentiality requirements shall not apply.

§30. USA PATRIOT ACT NOTICE.

Each Bank, each Issuing Bank and each Agent (for itself and not on behalf of any Bank or Issuing Bank) that is subject to the PATRIOT Act (as hereinafter defined) and each of the Agents (for itself and not on behalf of any Bank or Issuing Bank) hereby notifies each of the Borrowers that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “PATRIOT Act”), it is required to obtain, verify and record information that identifies the Borrowers and their respective Subsidiaries, which information includes the name and address of each such Person and other information that will allow such Bank, such Issuing Bank or such Agent, as applicable, to identify such Person in accordance with the PATRIOT Act. Each Borrower shall, promptly following a request by any Agent, any Bank or any Issuing Bank, provide all documentation and other information with respect to the Borrowers and their respective Subsidiaries that such Agent, such Bank or such Issuing Bank requests in order to comply with its ongoing obligations under applicable “know your customer” and Anti-Money Laundering Laws, including the PATRIOT Act and the Beneficial Ownership Regulation.

§31. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Borrower and each guarantor hereunder acknowledges and agrees, that: (i) (A) the arranging and other services regarding this Agreement provided by the Agents and the Co-Lead Arrangers are arm’s-length commercial transactions between such Borrower, each guarantor hereunder and their respective Affiliates, on the one hand, and the Agents and the Co-Lead Arrangers, on the other hand, (B) each of such Borrower and guarantor hereunder has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) such Borrower and guarantor hereunder is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Agents and the Co-Lead Arrangers each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for such Borrower, any guarantor hereunder or any of their respective Affiliates, or any other Person and (B) neither the Agents nor the Co-Lead Arrangers has any obligation to such Borrower, any guarantor hereunder or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Agents and the Co-Lead Arrangers and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of such Borrower, the guarantors hereunder and their respective Affiliates, and neither the Agents nor the Co-Lead Arrangers has any obligation to disclose any of such interests to the Borrowers, any guarantor hereunder or any of their respective Affiliates. To the fullest extent permitted by Law, each of the Borrowers and the guarantors hereunder hereby waives and releases any claims that it may have against the Agents and the Co-Lead Arrangers with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

§32. Transitional arrangements. On the Closing Date, this Agreement shall amend, restate and supersede the Existing Credit Agreement in its entirety, except as provided in this §32. On the Closing Date, the rights and obligations of the parties evidenced by the Existing

Credit Agreement shall be evidenced by this Agreement and the other Loan Documents. All references to the Existing Credit Agreement in any Loan Document or other document or instrument delivered in connection therewith shall be deemed to refer to this Agreement and the provisions hereof. Without limiting the generality of the foregoing and to the extent necessary, the Banks and the Agents reserve all of their rights under the Existing Credit Agreement, as amended and restated by this Agreement.

All interest and fees and expenses, if any, owing or accruing under or in respect of the Existing Credit Agreement through the Closing Date shall be calculated as of the Closing Date (pro-rated in the case of any fractional periods), and shall be paid on the Closing Date. Commencing on the Closing Date, all fees hereunder shall be payable by the Borrowers to the Agents for the account of the Banks in accordance with this Agreement.

§33. ELECTRONIC EXECUTION; ELECTRONIC RECORDS. This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement (each a "Communication"), including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signatures. The Borrowers agree that any Electronic Signature on or associated with any Communication shall be valid and binding on the Borrowers to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of the Borrowers enforceable against such in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this §33 may include, without limitation, use or acceptance by the each of the Agents and each of the Banks of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. Each of the Agents and each of the Banks may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("Electronic Copy"), which shall be deemed created in the ordinary course of the such Person's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, no Agent is under any obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by such Agent pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Agents have agreed to accept such Electronic Signature, the Agents and each of the Banks shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any Borrower without further verification and (b) upon the request of any Agent or any Bank, any Electronic Signature shall be promptly followed by such manually executed counterpart. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

§34. Acknowledgement and Consent to Bail-In of AFFECTED Financial Institutions . Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Bank or any Issuing Bank that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by: (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Bank or any Issuing Bank that is an Affected Financial Institution; and (b) the effects of any Bail-in Action on any such liability, including, if applicable, (i) a reduction in full or in part or cancellation of any such liability, (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document, or (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

§35. ACKNOWLEDGEMENT REGARDING ANY SUPPORTED QFCS. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any swap contract or any other agreement or instrument that is a QFC (such support, “QFC Credit Support”, and each such QFC, a “Supported QFC”), the parties acknowledge and agree that, with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States), in the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Bank

shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

[Signatures Pages Omitted]

EXHIBIT 21.1

The following list sets forth (i) all subsidiaries of Ryder System, Inc. at December 31, 2020, (ii) the state or country of incorporation or organization of each subsidiary, and (iii) the names under which certain subsidiaries do business.

Name of Subsidiary	State or Country of Incorporation or Organization
3241290 Nova Scotia Company	Canada
Associated Ryder Capital Services, Inc.	Florida
Bullwell Trailer Solutions Limited	England
COOP Technologies, Inc.	Delaware
CRTS Logistica Automotiva S.A.	Brazil
Euroway Vehicle Contracts Limited	England
Euroway Vehicle Engineering Limited	England
Euroway Vehicle Management Limited	England
Euroway Vehicle Rental Limited	England
Far East Freight, Inc.	Florida
Hill Hire Limited	England
Laromark Intermediate Holding Corporation	Delaware
Network Vehicle Central, LLC	Florida
Road Master, Limited	Bermuda
RSI Holding B.V.	Netherlands
RSI Purchase Corp.	Delaware
RTI Argentina S.A.	Argentina
RTRC Finance LP	Canada
RTR Holdings (B.V.I.) Limited	British Virgin Islands
RTR Leasing I, Inc.	Delaware
RTR Leasing II, Inc.	Delaware
RTR Next Gen Sales, LLC	Florida
Ryder Argentina S.A.	Argentina
Ryder Ascent Logistics Pte Ltd.	Singapore
Ryder Asia Pacific Holdings B.V.	Netherlands
Ryder Capital (Barbados) SRL	Barbados
Ryder Canadian Financing US LLC	Delaware
Ryder Capital Ireland Holdings II LLC	Delaware
Ryder Capital Luxembourg Limited, S.A.R.L.	England
Ryder Capital S. de R.L. de C.V.	Mexico
Ryder Capital UK Holdings LLP	England
Ryder de Mexico S. de R.L. de C.V.	Mexico
Ryder Dedicated Logistics, Inc.	Delaware

Ryder Deutschland GmbH	Germany
Ryder Distribution Services Limited	England
Ryder do Brasil Ltda.	Brazil
Ryder Energy Distribution Corporation	Florida
Ryder Europe B.V.	Netherlands
Ryder Fleet Products, Inc.	Tennessee
Ryder Freight Brokerage, Inc.	Delaware
Ryder Fuel Services, LLC	Florida
Ryder Funding LP	Delaware
Ryder Funding II LP	Delaware
Ryder Global Services, LLC	Florida
Ryder Holdings Mexico One S. de R.L. de C.V.	Mexico
Ryder Holdings Mexico Two S. de R.L. de C.V.	Mexico
Ryder Holdings Mexico Three S. de R.L. de C.V.	Mexico
Ryder Integrated Logistics, Inc. ⁽¹⁾	Delaware
Ryder Integrated Logistics of California Contractors, LLC	Delaware
Ryder Integrated Logistics of Texas, LLC	Texas
Ryder International Acquisition Corp.	Florida
Ryder International Holdings LLC	Delaware
Ryder International, Inc.	Florida
Ryder International UK Holdings LP	England
Ryder Last Mile (California) LLC	Delaware
Ryder Last Mile, Inc.	California
Ryder Limited	England
Ryder Logistica Ltda.	Brazil
Ryder Logistics (Shanghai) Co., Ltd.	China
Ryder Mauritius Holdings, Ltd.	Mauritius
Ryder Mexican Holding B.V.	Netherlands
Ryder Mexicana, S. de R.L. de C.V.	Mexico
Ryder Offshore Holdings III LLC	Delaware
Ryder Pension Fund Limited	England
Ryder Puerto Rico, Inc.	Delaware
Ryder Purchasing LLC	Delaware
Ryder Receivable Funding III, L.L.C.	Delaware
Ryder Risk Solutions, LLC	Florida
Ryder Services Corporation ⁽²⁾	Florida
Ryder Servicos do Brasil Ltda.	Brazil
Ryder Soluciones S. de R.L. de C.V.	Mexico
Ryder Singapore Pte Ltd.	Singapore
Ryder System Holdings (UK) Limited	England
Ryder Thailand I, LLC	Florida

Ryder Thailand II, LLC	Florida
Ryder Truck Rental Holdings Canada Ltd.	Canada
Ryder Truck Rental, Inc. ⁽³⁾	Florida
Ryder Truck Rental I LLC	Delaware
Ryder Truck Rental II LLC	Delaware
Ryder Truck Rental III LLC	Delaware
Ryder Truck Rental IV LLC	Delaware
Ryder Truck Rental I LP	Delaware
Ryder Truck Rental II LP	Delaware
Ryder Truck Rental Canada Ltd ⁽⁴⁾	Canada
Ryder Truck Rental LT	Delaware
Ryder Vehicle Sales, LLC	Florida
RyderVentures, LLC	Florida
Sistemas Logisticos Sigma S.A.	Argentina
Tandem Transport, L.P.	Georgia
Traslados Americano S. de R.L. de C.V.	Mexico

(1) Florida: d/b/a UniRyder
Delaware: d/b/a Ryder

(2) Ohio and Texas: d/b/a Ryder Claims Services Corporation

(3) Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming: d/b/a Ryder Transportation Services

Maryland and Virginia: d/b/a Ryder/Jacobs

Michigan: d/b/a Atlas Trucking, Inc.

Michigan: d/b/a Ryder Atlas of Western Michigan

Texas: d/b/a DSC Truck Services

(4) French Name: Location de Camions Ryder du Canada Ltee.

Canadian Provinces: d/b/a Ryder Integrated Logistics,
Ryder Dedicated Logistics,
Ryder Canada

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-19515, No. 333-26653, No. 333-69628, No. 333-108364, No. 333-124828, No. 333-134113, No. 333-153123, No. 333-177285, No. 333-181396, No. 333-211206, No. 333-212138, No. 333-230765, No. 333-231208 and No. 333-239437) and on Form S-3 (No. 333-224056 and No. 033-58667) of Ryder System, Inc. of our report dated February 19, 2021 relating to the financial statements and financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Miami, Florida
February 19, 2021

EXHIBIT 24.1

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned, being directors of Ryder System, Inc., a Florida corporation, hereby constitutes and appoints Robert D. Fatovic and Alena S. Brenner, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in his or her name, place and stead, in any and all capacities, to sign the Ryder System, Inc. Form 10-K (Annual Report pursuant to the Securities Exchange Act of 1934) for the fiscal year ended December 31, 2020 (the "Form 10-K"), and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and with the New York Stock Exchange and any other stock exchange on which the Company's common stock is listed, granting unto each said attorney-in-fact and agent full power and authority to perform every act requisite and necessary to be done in connection with the execution and filing of the Form 10-K and any and all amendments thereto, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying all that each said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

This Power of Attorney may be signed in any number of counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one Power of Attorney.

IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand effective the 15th day of February, 2021.

/s/ Robert J. Eck
Robert J. Eck

/s/ Robert A. Hagemann
Robert A Hagemann

/s/ Michael F. Hilton
Michael F. Hilton

/s/ Tamara L. Lundgren
Tamara L. Lundgren

/s/ Luis P. Nieto, Jr.
Luis P. Nieto, Jr.

/s/ David G. Nord
David G. Nord

/s/ Abbie J. Smith
Abbie J. Smith

/s/ E. Follin Smith
E. Follin Smith

/s/ Dmitri L. Stockton
Dmitri L. Stockton

/s/ Hansel E. Tookes II
Hansel E. Tookes, II

EXHIBIT 31.1
CERTIFICATION

I, Robert E. Sanchez, certify that:

1. I have reviewed this annual report on Form 10-K of Ryder System, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2021

/s/ Robert E. Sanchez

Robert E. Sanchez
President and Chief Executive Officer

EXHIBIT 31.2
CERTIFICATION

I, Scott T. Parker, certify that:

1. I have reviewed this annual report on Form 10-K of Ryder System, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2021

/s/ Scott T. Parker

Scott T. Parker
Executive Vice President and Chief Financial Officer

EXHIBIT 32

CERTIFICATION

In connection with the Annual Report of Ryder System, Inc. (the "Company") on Form 10-K for the period ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Robert E. Sanchez, President and Chief Executive Officer of the Company, and Scott T. Parker, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert E. Sanchez

Robert E. Sanchez
President and Chief Executive Officer
February 19, 2021

/s/ Scott T. Parker

Scott T. Parker
Executive Vice President and Chief Financial Officer
February 19, 2021