

RENT A CENTER INC DE
Form DEF 14A
April 20, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

Information required in Proxy Statement Schedule 14a Information

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

Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(E)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to ss.240.14a-12

RENT-A-CENTER, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

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Notice of 2015 Annual Meeting of Stockholders

Thursday, June 4, 2015

8:00 a.m. local time,

5501 Headquarters Drive, Plano, Texas 75024

The 2015 Annual Meeting of Stockholders of Rent-A-Center, Inc. will be held on Thursday, June 4, 2015, at 8:00 a.m. local time, at the Rent-A-Center, Inc. Field Support Center, which is located, along with our principal executive offices, at 5501 Headquarters Drive, Plano, Texas 75024, for the following purposes:

1. To elect the two Class III directors nominated by the Board of Directors;
 2. To ratify the Audit & Risk Committee's appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2015;
 3. To conduct an advisory vote approving the compensation of the named executive officers for the year ended December 31, 2014, as set forth in the proxy statement; and
 4. To transact other business that properly comes before the meeting.
- Only stockholders of record at the close of business on April 6, 2015, are entitled to receive notice of and to vote at the annual meeting and at any and all adjournments or postponements thereof.

Under rules approved by the Securities and Exchange Commission, we are furnishing proxy materials on the Internet in addition to mailing paper copies of the materials to each registered stockholder. Instructions on how to access and review the proxy materials on the Internet can be found on the proxy card sent to registered stockholders and on the Notice of Internet Availability of Proxy Materials (the Notice) sent to stockholders who hold their shares in street name (i.e. in the name of a broker, bank or other record holder). The Notice will also include instructions for stockholders who hold their shares in street name on how to access the proxy card to vote over the Internet.

Your vote is important, and whether or not you plan to attend the annual meeting, please vote as promptly as possible. We encourage you to vote via the Internet, as it is the most convenient and cost-effective method of voting. You may also vote by telephone or by mail (if you received paper copies of the proxy materials). Instructions regarding all three methods of voting are included in the Notice, the proxy card and the proxy statement.

Thank you in advance for voting and for your support of Rent-A-Center.

By order of the Board of Directors,

Dawn M. Wolverton

Vice President Assistant General Counsel and Secretary

April 20, 2015

Plano, Texas

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This proxy statement is furnished in connection with the solicitation of proxies by Rent-A-Center, Inc., on behalf of its Board of Directors (the Board), for the 2015 Annual Meeting of Stockholders. This proxy statement and related proxy materials are being made available on the Internet and mailed to our registered stockholders on or about April 20, 2015.

Proxy Summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. For more complete information regarding our 2014 performance, please review our Annual Report on Form 10-K for the year ended December 31, 2014. Page references are supplied to help you find further information in this proxy statement.

Meeting Information

Date & Time: 8:00 a.m. Central time on Thursday, June 4, 2015

Location: Rent-A-Center, Inc. Field Support Center, 5501 Headquarters Drive, Plano, Texas 75024

Eligibility to Vote: You can vote if you were a stockholder of record at the close of business on April 6, 2015 (see page 4 for information on how to vote)

Voting matters

Proposal	Board Vote Recommendation	Page Reference (for more detail)
Election of Directors	FOR each Director Nominee	6
Ratification of Auditors	FOR	16
Advisory Vote on Executive Compensation	FOR	40

Board Nominees (page 6)

The following table provides summary information about each director who is nominated for election at the 2015 annual meeting. Each director nominee will serve a three year term expiring at the 2018 annual meeting of stockholders and until their successors are elected and qualified. Information regarding our directors whose terms continue past this year's stockholder meeting begins on page 7.

Name	Age	Director Since	Experience/Qualification	Independent	Committee Memberships	Other Public Company Boards
Michael J. Gade	63	2005	Retail Marketing	X	Compensation; Nominating	MFRI, Inc.
	76	1995	Governance; leadership Banking and finance expertise	X		N/A

J.V.
Lentell

Governance; leadership

Nominating (Chair);
Compensation

Business Highlights

In 2014, we continued to return value to our stockholders and focus on our strategic growth goals. The following key accomplishments were achieved in fiscal 2014:

Continued executing on our multi-year program designed to transform and modernize our operations company-wide in order to improve the profitability of the Core U.S. segment while continuing to grow our Acceptance Now segment:

- i launched the flexible labor model pilot in November 2014
- i signed an agreement with a leading 3rd party logistics provider as part of our sourcing & distribution initiative
- i rolled out initial price changes in certain product categories as part of our pricing strategy initiative
- i implemented our new technology in over 650 existing Acceptance Now manned locations

Same store sales increases of over 28% in our Acceptance Now segment and 17% in our Mexico segment;

Increased earnings per diluted share to \$0.48 compared to \$0.25 for the fourth quarter of 2014; and

Increased quarterly dividend from \$0.23 to \$0.24, beginning with the dividend for the first quarter of 2015. Please refer to our Annual Report on Form 10-K for the year ended December 31, 2014 for more information.

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Executive Compensation

Principles (page 20)

We generally target total direct compensation (base salary, annual incentive and long-term incentive compensation) at the 50th-75th percentile of that paid at similarly-situated public companies in the retail and consumer finance sector, with cash compensation (base salary and annual incentives) targeted at the 50th percentile, and long-term incentive compensation targeted at the 75th percentile. The objectives of our executive compensation program are to:

attract, retain and motivate senior executives with competitive compensation opportunities;

balance short-term and long-term strategic goals;

align our executive compensation program with the core values identified in our mission statement, which focuses on improving the quality of life for our co-workers and our customers; and

reward achievement of our financial and non-financial goals.

The following forms of compensation are currently utilized by the Compensation Committee in compensating our named executive officers:

base salary, which is paid in cash;

annual incentive compensation, which is paid in cash and is focused on three metrics – profitability, revenue, and a servant leadership component that supports our desired culture (beginning in 2015, the annual cash incentive plan will be based solely on profitability and revenue);

long-term incentive compensation, which consists of stock options which vest ratably over four years beginning on the first anniversary of the date of grant, restricted stock units which cliff vest after three years, and performance stock units which vest only upon achievement of a specified three-year EBITDA target (beginning with grants made in 2015, we adopted a relative total shareholder metric over a three-year measurement period as the vesting condition for performance stock units);

double trigger severance arrangements; and

fringe benefits, including perquisites, with no tax gross-ups.

Relative Total Shareholder Return (page 27)

Our Compensation Committee has adopted a relative total shareholder metric over a three-year measurement period as the vesting condition for future grants of performance stock units pursuant to our long-term incentive compensation program (beginning in 2015).

Stock Ownership Guidelines (pages 12 and 29)

We believe that our Board and our management should have a significant financial stake in the Company to ensure that their interests are aligned with those of our stockholders. To that end, our directors, as well as our Chief Executive Officer and our President and Chief Operating Officer are subject to equity interest guidelines as described on pages 12 and 29, respectively. In addition, our insider trading policy prohibits our directors and executive officers from engaging in hedging or other derivative transactions involving our common stock. We also do not allow shares of our common stock owned by any of our directors or named executive officers to be pledged.

Clawback Policy (page 28)

Our Board has adopted a clawback policy applicable to our executive officers as described on page 28.

2014 Executive Total Compensation Mix (page 21)

Pay for Performance. Our executive compensation program directly links a substantial portion of executive compensation to our financial performance through annual and long-term incentives. For the 2014 annual cash incentive program, the EBITDA goal was achieved at 86.4% of target (resulting in a 30% payout of the 65% of the target bonus amounts attributable to the EBITDA target), and the revenue goal was achieved at 96.7% of target (resulting in a 30% payout of the 25% of the target bonus amounts attributable to the revenue target).

We failed to achieve more than 80% of the three-year EBITDA target established in connection with the grant in 2012 of performance-based restricted stock units pursuant to our long-term incentive compensation program. Accordingly, none of the performance-based restricted stock units granted as part of the 2012 long-term incentive compensation awards was earned and no shares were issued to our named executive officers pursuant to such awards.

The mix of the key compensation elements for our Chief Executive Officer and our other named executive officers for fiscal 2014 is shown below. The Actual Compensation Mix charts describe each element of actual compensation as a percent of total direct compensation for fiscal 2014.

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The Actual Compensation Mix charts above include salary with respect to 2014, the actual amount paid under the 2014 annual cash incentive program, and the estimated grant date value of stock options, restricted stock units and performance stock units granted during fiscal 2014, as shown in the Summary Compensation Table on page 30. The value of all of the long-term incentive compensation vehicles (stock options, restricted stock units (RSUs), and performance share units (PSUs)) is time vested and depends upon our financial performance over the measurement or vesting period.

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QUESTIONS AND ANSWERS ABOUT THE 2015 ANNUAL MEETING AND VOTING PROCEDURES

Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

In accordance with rules adopted by the Securities and Exchange Commission (SEC), we are making this proxy statement and our Annual Report on Form 10-K available on the Internet, in addition to mailing a printed copy of these materials to our registered stockholders. If you received the Notice by mail and would prefer to receive a printed copy of our proxy materials, please follow the

instructions for requesting printed copies included in the Notice. The Notice also contains instructions on how to access and review all of the important information contained in the proxy materials provided on the Internet, including how you may submit your proxy by telephone or over the Internet.

Who may vote?

Stockholders of record as of the close of business on April 6, 2015, the record date for the annual meeting, may vote at the meeting. Each share of common stock entitles the holder to one vote per share. As of February 23, 2015, there were 53,025,180 shares of our common stock outstanding.

What constitutes a quorum?

The holders of a majority of our outstanding shares of common stock entitled to vote at the annual meeting must be represented at the annual meeting in person or by proxy to have a quorum. Any stockholder present at the annual meeting, either in person or by proxy, but who abstains from voting, will be counted for purposes of determining whether a quorum exists.

How do I vote?

You cannot vote your shares of common stock unless you are present at the meeting or you have previously given your proxy. You can vote by proxy in one of the following three convenient ways:

by mail if you received your proxy materials by mail, you can vote by mail by completing, signing, dating and returning the proxy card in the enclosed envelope;

on the Internet, by visiting the website shown on the Notice or the proxy card and following the instructions; or

by telephone, by calling the toll-free telephone number shown on the Notice or the proxy card and following the instructions.

How will the proxies be voted?

All properly executed proxies, unless revoked as described below, will be voted at the meeting in accordance with your directions on the proxy. If a properly executed proxy does not provide instructions, the shares of common stock represented by your proxy will be voted:

FOR each of the Board's nominees for Class III director;

FOR the ratification of the Audit & Risk Committee's appointment of KPMG LLP as our independent registered public accounting firm for 2015; and

FOR the resolution approving the compensation of the named executive officers for the year ended December 31, 2014, as set forth in the proxy statement.

The proxy holders will use their discretion on any other matters that properly come before the meeting. Unless otherwise stated, all shares represented by your completed, returned, and signed proxy will be voted as described above. If you are voting on the Internet or by telephone, the proxies will be voted in accordance with your voting instructions. If you are voting on the Internet or by telephone, your voting instructions must be received by 11:59 p.m., Eastern time on June 3, 2015, unless you are a participant in our 401(k) plan, in which case your voting instructions must be received by 11:59 p.m., Eastern time, on June 2, 2015.

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QUESTIONS AND ANSWERS ABOUT THE 2015 ANNUAL MEETING AND VOTING PROCEDURES

How may I revoke my proxy?

You may revoke your proxy at any time before or at the annual meeting (in each case, before the vote at the annual meeting) by:

Delivering a signed, written revocation letter, dated later than the proxy, to Dawn M. Wolverton, Vice President Assistant General Counsel and Secretary, at 5501 Headquarters Drive, Plano, TX 75024;
Delivering a signed proxy, dated later than the first one, to Alliance Advisors, 200 Broadacres Drive, 3rd Floor, Bloomfield, NJ 07003;

Voting at a later time on the Internet or by telephone, if you previously voted on the Internet or by telephone; or

Attending the meeting and voting in person or by proxy. Attending the meeting alone will not revoke your proxy.

How many votes must each proposal receive to be adopted?

Under our Bylaws, directors are elected by a majority of the votes cast in uncontested elections. Accordingly, the numbers of votes cast for a director nominee must exceed the number of votes cast against that nominee. In contested elections, the vote standard would be a plurality of votes cast. Each share may be voted for each of the nominees, but no share may be voted more than once for any particular nominee. Broker non-votes and abstentions will not affect the outcome of the vote.

A majority of the votes cast is required to ratify KPMG as our independent registered public accounting firm. Broker non-votes and abstentions will have no effect on the outcome of the vote to ratify KPMG.

The affirmative vote of a majority of the shares of common stock present in person or represented by proxy and entitled to vote at the meeting is required to approve the advisory resolution on executive compensation. Broker non-votes will not affect the outcome of the vote. Because abstentions are counted as shares present and entitled to

vote on the proposal, each abstention will have the same effect as a vote against the advisory resolution on executive compensation.

What are broker non-votes?

Broker non-votes occur when nominees, such as banks and brokers, holding shares on behalf of beneficial owners, or customers, do not receive voting instructions from the customers. Brokers holding shares of record for customers generally are not entitled to vote on certain matters unless they receive voting instructions from their customers. In the event that a broker does not receive voting instructions for these matters, a broker may notify us that it lacks voting authority to vote those shares. These broker non-votes refer to votes that could have been cast on the matter in question by brokers with respect to uninstructed shares if the brokers had received their customers' instructions. These broker non-votes will be included in determining whether a quorum exists.

Your bank or broker is not permitted to vote your uninstructed shares in the election of directors on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank or broker how to vote, no votes will be cast on your behalf in the election of directors, or with respect to Proposal 3 (advisory vote on executive compensation). To be sure your shares are voted in the manner you desire, you should instruct your broker how to vote your shares.

Who is soliciting this proxy?

The Board of Directors is soliciting this proxy. In addition to the solicitation of proxies by mail, proxies may also be solicited by telephone, electronic mail or personal interview. We will reimburse banks, brokers, custodians, nominees and fiduciaries for reasonable expenses they incur in sending these proxy materials to you if you are a beneficial holder of our shares. We have engaged

Alliance Advisors LLC, a proxy solicitation firm, to assist in the solicitation of proxies. We will pay that firm \$7,500 for its proxy solicitation services and reimburse its out-of-pocket expenses for such items as mailing, copying, phone calls, faxes and other related matters in an amount not to exceed \$2,000.

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PROPOSAL ONE: ELECTION OF DIRECTORS

What is the organizational structure of the Board?

The number of directors currently constituting our entire Board is eight. The directors are divided into three classes. In general, directors in each class serve for a term of three years.

How many directors are to be elected?

Two Class III directors are to be elected by our stockholders.

Who are the board nominees?

Our Board, upon recommendation of the Nominating and Corporate Governance Committee, has nominated each of Michael J. Gade and J.V. Lentell to be re-elected as Class III directors by the stockholders. Each of Mr. Gade and Mr. Lentell has agreed to stand for re-election. However, should either of them become unable or unwilling to accept nomination or election, the shares of common stock voted for that nominee by proxy will be voted for the election of a substitute nominee whom the proxy holders believe will carry out our present policies. Our Board of Directors has no reason to believe that either of Mr. Gade or Mr. Lentell will be unable or unwilling to serve if elected, and, to the knowledge of the Board, each intends to serve the entire term for which election is sought.

We urge you to vote FOR each of Mr. Gade and Mr. Lentell

Michael J. Gade

Independent Director

Age: 63

Director Since: 2005

Term Expires: 2015

Committees Served: Compensation; Nominating & Corporate Governance

Since 2004, Mr. Gade has been an Executive in Residence at the University of North Texas as a professor of marketing and retailing. Mr. Gade also serves as a strategic advisor to The Boston Consulting Group. A founding partner of Challance Group, LLP, Mr. Gade has over 30 years of marketing and management experience, most recently serving as senior executive for the southwest region of Home Depot, Inc. from 2003 to 2004. From 2000 to 2003, Mr. Gade served as Senior Vice President, Merchandising, Marketing and Business Development for 7-Eleven, Inc. From 1995 to 2000, Mr. Gade was employed by Associates First Capital Corporation as Executive Vice President, Strategic Marketing and Development. Mr. Gade also serves on the Board of Directors of MFRI, Inc. and The Crane Group.

We believe that Mr. Gade's significant retail marketing experience provides our Board with an important resource with respect to our

marketing and advertising efforts. In addition, Mr. Gade provides leadership and governance experience through his other directorships, including service on the audit and compensation committees of such companies.

J. V. Lentell

Independent Director

Age: 76

Director Since: 1995

Term Expires: 2015

Committees Served: Nominating & Corporate Governance (Chair); Compensation

Mr. Lentell served as our Lead Director from April 2009 until January 2014. Since July 1993, he has served as a director and Vice Chairman of the Board of Directors of Intrust Bank, N.A., successor by merger to Kansas State Bank & Trust Co. Mr. Lentell was employed by Kansas State Bank & Trust Co., in Wichita, Kansas from 1966 until July 1993, serving as Chairman of the Board from 1981 until July 1993.

During his 20 year tenure on our Board, including as our Lead Director from April 2009 until January 2014, Mr. Lentell has provided demonstrated leadership to our Board. Mr. Lentell's service on all Board committees during some period of that time provides him with a deep understanding of the Company and its growth history, which we believe contributes a useful frame of reference in the context of Board discussions. In addition, Mr. Lentell has extensive knowledge of the capital markets and finance issues from his over 50 years of experience in the banking industry which we believe is important to the Board's discussions of our capital and liquidity needs. Further, Mr. Lentell's experience as a board member of various private companies and civic and charitable organizations, including service on the audit, finance, compensation and governance committees of such organizations (in some cases as the chairman), provides our Board and committees with significant insight into compensation, governance and risk management issues.

Our Board of Directors recommends that you vote FOR each of the Board nominees.

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PROPOSAL ONE: ELECTION OF DIRECTORS

Who are the continuing members of the Board?

The terms of the following five members of our Board will continue past this year's stockholder meeting.

Term to Expire at the 2016 Annual Meeting:

Robert D. Davis

Chief Executive Officer and Director

Age: 43

Director Since: 2013

Mr. Davis was named our Chief Executive Officer effective as of February 1, 2014, after previously serving as our Executive Vice President - Finance since February 2008, as our Chief Financial Officer since March 1999 and as our Treasurer since January 1997. From September 1999 until February 2008, Mr. Davis served as our Senior Vice President - Finance. From September 1998 until September 1999, Mr. Davis served as our Vice President - Finance and Treasurer. Mr. Davis began his employment with us in 1993.

With over 20 years of experience with the Company, including 15 as Chief Financial Officer, Mr. Davis has an intimate knowledge of our operations and financial position that is a vital component of our Board discussions. We believe Mr. Davis' service as our Chief Executive Officer creates a critical link between management and our Board, enabling our Board to perform its oversight function with the benefit of management's perspectives on our business.

Steven L. Pepper

Independent Director

Age: 52

Director Since: 2013

Committees Served: Audit & Risk; Finance (Chair)

In 2011, Mr. Pepper retired as President of Yum Brands Mexico, a position he had held since 2001. Over the course of his twenty-year career with Yum, Mr. Pepper was responsible for the company's businesses in Europe, Africa and Brazil, as well as serving in key financial positions in the United States and Latin America. From 2006 to 2011, Mr. Pepper was also a member of Yum's Partners Council, a leadership group comprised of the company's twenty top executives. Since retiring from Yum, Mr. Pepper has served as an advisor to a number of private equity groups

regarding investments in Latin America. Mr. Pepper also serves on the Advisory Board of Colombia's leading diversified restaurant and food services company, a division of Grupo Nutresa.

Mr. Pepper's experience in oversight responsibility for international operations and expansion, particularly in Mexico, is critical to the Board's consideration of our international operations. In addition, Mr. Pepper possesses particular knowledge and experience in a variety of areas, including accounting and financial matters, marketing, international markets, and global market entry that strengthens the Board's collective knowledge, capabilities and experience.

Paula Stern, Ph.D.

Independent Director

Age: 70

Director Since: 2008

Committees Served: Audit & Risk; Nominating & Corporate Governance

The Honorable Paula Stern, Ph.D., is Chairwoman of The Stern Group, Inc., an international advisory firm focusing on business and government strategy, which was established in 1988. She was Commissioner of the U.S. International Trade Commission from 1978 to 1987 and Chairwoman from 1984 to 1986. She serves on the U.S. Department of State's Advisory Committee on International Economic Policy and the U.S. Department of Commerce's Renewable Energy and Energy Efficiency Advisory Committee. Dr. Stern is a member of the Board of Trustees of the Committee for Economic Development; the Executive Committee of the Atlantic Council; the Council on Foreign Relations; Inter-American Dialogue; and the Bretton Woods Committee. She is also a member of the International Advisory Board of Lafarge and the Corporate Board Advisory Group of Diversified Search. During the past five years, Dr. Stern has served as a director of Hasbro, Inc. She is currently a director of Avon Products, Inc.

Dr. Stern brings over 30 years of professional experience in regulatory, legislative and business matters. We believe her expertise in business and government strategy, including global trade and competitive considerations, provides the Board with valuable leadership and perspective in these areas. In addition, Dr. Stern provides leadership and governance experience gained through her other public company directorships, including service on the finance and governance committees of such companies.

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PROPOSAL ONE: ELECTION OF DIRECTORS

Term to Expire at the 2017 Annual Meeting:

Mark E. Speese

Chairman of the Board; former Chief Executive Officer

Age: 57

Director Since: 1990

Committees Served: Finance

Mr. Speese has served as our Chairman of the Board since October 2001, as our Chief Executive Officer from October 2001 until January 2014, and as one of our directors since 1990. Mr. Speese previously served as our Vice Chairman from September 1999 until March 2001. From 1990 until April 1999, Mr. Speese served as our President. Mr. Speese also served as our Chief Operating Officer from November 1994 until March 1999.

As a founder of our company, Mr. Speese brings leadership, tremendous knowledge of our business as well as the rent-to-own industry, extensive operations experience, and his strategic vision for our company to the Board. We believe Mr. Speese's service as our Chairman and his previous tenure as our Chief Executive Officer creates a critical link between management and our Board, enabling our Board to perform its oversight function with the benefit of management's perspectives on our business.

Jeffery M. Jackson

Independent Director

Age: 59

Director Since: 2007

Committees Served: Audit & Risk (Chair); Finance

Mr. Jackson is Managing Director of Thayer Ventures, a venture capital company investing in technology companies that serve the travel and hospitality industries. Mr. Jackson served as the Executive Vice President - Corporate Business Development of Sabre Holdings, Inc., a travel technology company, from August 2009 to March 2012, and previously served as its Executive Vice President - Chief Financial Officer from 1998 to August 2009. Mr. Jackson served as a board member of Travelocity.com until March 2002, when it became a Sabre Holdings subsidiary. Prior to joining Sabre Holdings in 1998, Mr. Jackson served as both Vice President of Corporate Development and Treasurer, and Vice President and Controller of American Airlines, Inc. Mr. Jackson also serves as a director of tripBAM, Inc., ID90T, Inc., Booking Pal, Inc., Options Away, Inc. and Traxo, Inc.

Mr. Jackson brings financial expertise to our Board, including through his prior experience as Chief Financial Officer of Sabre as well as his service as chairman of our Audit & Risk Committee. In addition, Mr. Jackson brings strong

accounting and financial skills important to the oversight of our financial reporting, significant transactions, and enterprise and operational risk management.

Leonard H. Roberts

Independent Director

Age: 66

Director Since: 2006

Committees Served: Compensation (Chair); Finance

Mr. Roberts served as the Executive Chairman of the Board of Directors of RadioShack Corporation from May 2005 until May 2006, and had previously served as a director since 1997, Chairman of the Board and Chief Executive Officer from 1999 to 2005, and President from 1993 to 1999. From 1990 to 1993, Mr. Roberts was Chairman and Chief Executive Officer of Shoney's, Inc., and from 1985 to 1990 was the President and Chief Executive Officer of Arby's, Inc. Mr. Roberts is currently a director of J.C. Penney, Inc. and Texas Health Resources.

We believe that Mr. Roberts' experience as a former Chief Executive Officer of several multi-unit retail companies brings directly relatable experience and a unique perspective in retail marketing to our Board. We also believe that Mr. Roberts' background as a board chairman brings significant corporate governance knowledge, and his experience on the compensation committee of another publicly traded company brings an understanding of compensation issues to our Compensation Committee.

Table of Contents**BOARD INFORMATION****Independent Directors**

As part of the Company's corporate governance practices, and in accordance with Nasdaq rules, the Board has established a policy requiring a majority of the members of the Board to be independent. In January 2015, each of our non-employee directors (other than Mr. Speese) completed a questionnaire which inquired as to their (and those of their immediate family members) relationship with us and other potential conflicts of interest. Our legal department reviewed the responses of our directors to such questionnaire, as well as material provided by management related to transactions, relationships and arrangements between us and our

directors or parties related to our directors. In March 2015, our Board met to discuss the independence of our directors who are not employed by us. Following such discussions, our Board determined that the following directors are independent as defined under Nasdaq rules: Michael J. Gade, Jeffery M. Jackson, J.V. Lentell, Steven L. Pepper, Leonard H. Roberts, and Paula Stern, Ph.D. The table below includes a description of categories or types of transactions, relationships or arrangements considered by our Board in reaching its determination that the directors are independent.

Name	Independent	Transactions/Relationships/Arrangements
Michael J. Gade	Yes	None
Jeffery M. Jackson	Yes	None
J.V. Lentell	Yes	Our banking relationship with Intrust immaterial
Leonard H. Roberts	Yes	None
Steven L. Pepper	Yes	None
Paula Stern, Ph.D.	Yes	None

Board Leadership Structure

Prior to February 1, 2014, we combined the roles of Chairman and Chief Executive Officer and appointed an independent Lead Director. Mr. Speese served as Chairman and Chief Executive Officer and Mr. Lentell as Lead Director. Mr. Speese retired as Chief Executive Officer as of January 31, 2014. In connection with Mr. Speese's retirement and the appointment of Robert D. Davis as Chief Executive Officer effective as of February 1, 2014, our Nominating and Corporate Governance Committee recommended to our Board, and our Board determined, to separate the roles of Chairman and CEO and have Mr. Speese continue to serve as Chairman.

The Board believes that the separation of the roles of Chairman and Chief Executive Officer at this time is appropriate in light of Mr. Davis' tenure as Chief Executive Officer and is in the best interests of the Company's stockholders. Separating these positions aligns the

Chairman role with our independent directors, enhances the independence of our Board from management and allows our Chief Executive Officer to focus on developing and implementing our growth initiatives and supervising our day-to-day business operations. Our Board believes that Mr. Speese is best situated to serve as Chairman because, as a

founder of our company, he is the director most familiar with our business and the rent-to-own industry, and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. Mr. Speese works closely with Mr. Davis to set the agenda for Board meetings and to facilitate information flow between the Board and management.

Our Board will review its determination to separate the roles of Chairman and Chief Executive Officer periodically or as circumstances and events may require.

Board Meetings; Executive Session

During 2014, our Board met 11 times, including regularly scheduled and special meetings, and acted twice by unanimous written consent. All of our directors attended more than 75% of the aggregate of the total number of meetings of the Board and the total number of meetings of the Board committees on which they serve.

Our independent directors meet in executive session at each in-person meeting of the Board. Mr. Gade presides over such executive sessions.

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BOARD INFORMATION

Role of the Board in Risk Oversight

Our Board takes an active role, as a whole and also at the committee level, in overseeing management of the Company's risks. The Board and the relevant committees receive regular reports from members of senior management on areas of material risk to the Company, including operational, financial, strategic, competitive, reputational, legal and regulatory risks. The Board also meets with senior management annually for a strategic planning session and discussion of the key risks inherent in our

short- and long-term strategies at the development stage, and also receives periodic updates on our strategic initiatives throughout the year. In addition, our Board has delegated the responsibility for oversight of certain risks to its standing committees, as discussed below. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, our entire Board is regularly informed through committee reports concerning such risks.

Board Committees

The standing committees of the Board during 2014 included the Audit & Risk Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, and the Finance Committee. Each of the standing committees has the authority to retain independent advisors and consultants, with all fees and expenses to be paid by us.

The *Audit & Risk Committee* assists the Board in fulfilling its oversight responsibilities by reviewing risks relating to accounting matters, financial reporting, legal and regulatory compliance, and other enterprise-wide risks. To satisfy these oversight responsibilities, our Audit & Risk Committee reviews, among other things, (1) the financial reports and other financial information provided by us to the SEC or the public, (2) our systems of controls regarding finance, accounting, legal compliance and ethics that management and the Board have established, (3) our independent auditor's qualifications and independence, (4) the performance of our internal audit function and our independent auditors, (5) the efficacy and efficiency of our auditing, accounting and financial reporting processes generally, and (6) our risk management practices. The Audit & Risk Committee has the direct responsibility for the appointment, compensation, retention and oversight of our independent auditors, and reviews our internal audit department's reports, responsibilities, budget and staffing. The Audit & Risk Committee also pre-approves all audit and non-audit services provided by our independent auditors and oversees compliance with our code of ethics. In addition, the Audit & Risk Committee meets regularly with our Chief Financial Officer, the head of our internal audit department, our independent auditors, and management (including regularly scheduled executive sessions with the vice president of internal audit and our independent auditors).

The Board has adopted a charter for the Audit & Risk Committee, which can be found in the Corporate Governance section of the Investor Relations section of our website at www.rentacenter.com. The Audit & Risk Committee reviews, updates and assesses the adequacy of its charter on an annual basis, and may recommend any proposed modifications to its charter to the Board for its approval, if and when appropriate.

During 2014, the Audit & Risk Committee held 13 meetings. All members of the Audit & Risk Committee are independent under SEC and Nasdaq rules. In addition, the Board has determined that each of Mr. Jackson and Mr. Pepper is an audit

committee financial expert as defined by SEC rules and Dr. Stern meets the financial sophistication requirements of Nasdaq. Members: Mr. Jackson, Chairman, Mr. Pepper and Dr. Stern.

The *Compensation Committee* (1) discharges the Board's responsibilities with respect to all forms of compensation of our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and each of our Executive Vice Presidents, including assessing the risks associated with our executive compensation policies and practices and employee benefits, (2) administers our equity incentive plans and (3) reviews and discusses with our management the Compensation Discussion and Analysis to be included in our annual proxy statement, annual report on Form 10-K or information statement, as applicable, and makes a recommendation to the Board as to whether the Compensation Discussion and Analysis should be included in our annual proxy statement, annual report on Form 10-K or any information statement, as applicable. The Compensation Committee is also responsible for recommending to the Board the form and amount of director compensation and conducting a review of such compensation as appropriate.

The Board has adopted a charter for the Compensation Committee, which can be found in the Corporate Governance section of the Investor Relations section of our website at www.rentacenter.com. In addition, the Compensation Committee reviews, updates and assesses the adequacy of its charter on an annual basis, and may recommend any proposed modifications to its charter to the Board for its approval, if and when appropriate.

The Compensation Committee's processes for fulfilling its responsibilities and duties with respect to executive compensation and the role of our executive officers in the compensation process are described under Compensation Discussion and Analysis Compensation Process beginning on page 22 of this proxy statement.

Pursuant to its charter, the Compensation Committee has the authority, to the extent it deems necessary or appropriate, to retain compensation consultants, independent legal counsel or other advisors and has the sole authority to approve the fees and other retention terms with respect to such advisors. From time to time, the Compensation Committee has engaged compensation consultants to advise it on certain matters. See Compensation Discussion and Analysis Compensation Process beginning on

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DIRECTOR COMPENSATION

page 22 of this proxy statement. In addition, the Compensation Committee also has the authority, to the extent it deems necessary or appropriate, to delegate matters to a