



Rent-A-Center Announces Cooperation Agreement with Engaged Capital, LLC

February 5, 2018

PLANO, Texas--(BUSINESS WIRE)--Feb. 5, 2018-- Rent-A-Center, Inc. (NASDAQ/NGS:RCII) ("Rent-A-Center" or the "Company"), a leader in the rent-to-own industry, today announced that it has entered into a cooperation agreement with Engaged Capital, LLC ("Engaged Capital"). Engaged Capital beneficially owns approximately 16.9 percent of Rent-A-Center's outstanding common stock.

Under the terms of the cooperation agreement, Rent-A-Center will nominate for election at the 2018 Annual Meeting of Stockholders (the "2018 Annual Meeting") one new independent director to be proposed by Engaged Capital. That individual will replace the nomination of Rishi Garg, a current member of the Rent-A-Center Board, who has informed the Company that he does not intend to stand for re-election at the 2018 Annual Meeting. Engaged Capital fully supports the Board's diversity objectives and intends to propose a director nominee candidate for election at the 2018 Annual Meeting that is diverse from an ethnic and/or gender perspective.

J.V. Lentell and Michael J. Gade, members of the Rent-A-Center Board whose terms will expire at the 2018 Annual Meeting, have recently informed the Company of their intent to stand for re-election. Engaged Capital has agreed to vote in favor of Messrs. Lentell and Gade, in addition to the new nominee. Prior to the 2018 Annual Meeting, the Board will be composed of six directors, but may, following the 2018 Annual Meeting, be expanded to seven directors during the remaining term of the cooperation agreement (in which case nominees for the seventh director seat would be proposed by Engaged Capital). Rent-A-Center has also agreed to terminate its stockholder rights plan in advance of the 2018 Annual Meeting. In addition, if elected at the 2018 Annual Meeting, Messrs. Lentell and Gade and the new independent director proposed by Engaged Capital will serve on the Board together with Jeffrey J. Brown, Mitchell E. Fadel and Christopher B. Hetrick, who were all Engaged Capital nominees and elected at the Company's 2017 Annual Meeting of Stockholders.

"We believe this consensus on Board composition for our stockholders' consideration is an important step forward as the Board conducts its review of strategic and financial alternatives for the Company," said Mitchell E. Fadel, Chief Executive Officer of Rent-A-Center. "These activities are ongoing and robust, and we look forward to reporting to our stockholders in due course."

"The actions announced today will allow the Company and Engaged Capital to continue our constructive working relationship while avoiding the expense and disruption of another proxy contest as we continue exploring options to maximize value for all of our stockholders," said J.V. Lentell, Chairman of the Rent-A-Center Board of Directors. "Under the terms of the cooperation agreement, the Board will achieve improved diversity while also implementing other important corporate governance goals."

Glenn W. Welling, Founder and Chief Investment Officer at Engaged Capital, stated "We are pleased to reach a cooperation agreement with Rent-A-Center. With the nominating window for the 2018 Annual Meeting upon us, this agreement helps ensure that the Board's review of strategic and financial alternatives will continue unabated and without distraction – enabling Rent-A-Center's directors to continue working constructively to maximize value for all stockholders."

Pursuant to the cooperation agreement, Engaged Capital has agreed to certain standstill provisions. Engaged Capital has also agreed to vote all of its shares in favor of Rent-A-Center's previously announced proposal to declassify the Board which, if approved, will result in all directors standing for election on an annual basis.

Rent-A-Center's Board nominees, its Board declassification plan and other matters to be considered by the Company's stockholders will be detailed in the Company's 2018 definitive proxy materials, which will be filed in advance of the 2018 Annual Meeting. This press release is being provided for informational purposes only and does not constitute the solicitation of any vote for approval of any transaction or proposal.

The full cooperation agreement between Rent-A-Center and Engaged Capital will be filed on a Form 8-K with the Securities and Exchange Commission.

J.P. Morgan is serving as financial advisor and Winston & Strawn LLP is serving as legal advisor to Rent-A-Center.

About Rent-A-Center

A rent-to-own industry leader, Plano, Texas-based, Rent-A-Center, Inc., is focused on improving the quality of life for its customers by providing them the opportunity to obtain ownership of high-quality, durable products such as consumer electronics, appliances, computers, furniture and accessories, under flexible rental purchase agreements with no long-term obligation. The Company owns and operates stores in the United States, Mexico, Canada and Puerto Rico, and Acceptance NOW kiosk locations in the United States and Puerto Rico. Rent-A-Center Franchising International, Inc., a wholly owned subsidiary of the Company, is a national franchiser of rent-to-own stores operating under the trade names of "Rent-A-Center," "ColorTyme," and "RimTyme." For additional information about the Company, please visit our website at www.rentacenter.com.

About Engaged Capital

Engaged Capital, LLC ("Engaged Capital") was established in 2012 by a group of professionals with significant experience in activist investing in North America and was seeded by Grosvenor Capital Management, L.P., one of the oldest and largest global alternative investment managers. Engaged Capital is a limited liability company owned by its principals and formed to create long-term shareholder value by bringing an owner's perspective to the managements and boards of undervalued public companies. Engaged Capital's efforts and resources are dedicated to a single investment style, "Constructive Activism" with a focus on delivering superior, long-term, risk-adjusted returns for investors. Engaged Capital is based in Newport Beach, California.

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