

# **CHARTER OF THE COMPENSATION COMMITTEE OF RENT-A-CENTER, INC.**

## **PURPOSE**

The Compensation Committee (the “*Committee*”) of the Board of Directors of Rent-A-Center, Inc. (the “*Company*”) is appointed by the Board of Directors of the Company (the “*Board*”) to (i) discharge the Board’s responsibilities with respect to all forms of compensation payable to (a) the Chief Executive Officer of the Company, (b) the Chief Financial Officer of the Company and (c) each Executive Vice President of the Company (collectively, the “*Tier II Executive Officers*”), (ii) administer the Company’s equity incentive plans, (iii) review and discuss with the Company’s management the Compensation Discussion and Analysis to be included in the Company’s annual proxy statement, annual report on Form 10-K or information statement, as applicable (the “*CD&A*”), and (iv) make a recommendation to the Board as to whether the CD&A should be included in the Company’s annual proxy statement, annual report on Form 10-K or information statement, as applicable. The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in the Section entitled “Responsibilities and Duties.”

## **COMPOSITION OF THE COMMITTEE**

The Committee shall be comprised solely of three or more directors, as determined by the Board, each of whom shall (i) meet the independence requirements of The Nasdaq Stock Market, Inc., (ii) qualify as a “Non-employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (iii) satisfy the requirements of an “outside director” for purposes of the requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended. If any member of the Committee ceases to meet the requirements discussed above, such member will no longer be permitted to serve as a member of the Committee and will be removed from the Committee. In such instance, the Board will appoint a new member to the Committee who meets the foregoing requirements. The Committee and its chairperson shall be appointed by the Board and shall serve at the pleasure of the Board for such term as the Board may decide or, with respect to an individual Committee member, until such Committee member is no longer a Board member or has resigned from the Committee. In such instance, the Board will appoint a new member to the Committee who meets the requirements set forth above.

## **MEETINGS OF THE COMMITTEE**

The Committee shall meet as often as it deems necessary in order to fulfill its responsibilities, but not less frequently than annually. In lieu of a meeting, the Committee may also act by unanimous written consent. As necessary or desirable, the Committee may request that members of the Board, the Company’s management and Company advisors be present at meetings of the Committee.

## **RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties, the Committee shall:

### **Compensation Practices and Policies**

1. Review the compensation practices and policies of the Company for its Chief Executive Officer and Tier II Executive Officers to confirm that they provide appropriate motivation for corporate performance and increased stockholder value.
2. Administer the Company's equity incentive plans and determine, with input from the Company's management, which individuals will receive awards and the size of those awards under such plans, including the Company's 2006 Long-Term Incentive Plan and the Company's 2006 Equity Incentive Plan (formerly the Rent-Way, Inc. 2006 Equity Incentive Plan).
3. Make recommendations to the Board regarding the adoption, amendment or termination of the Company's equity incentive plans.
4. Recommend to the Board the form and amount of director compensation and conduct a review of such compensation, as appropriate.
5. Review and discuss with the Board the adequacy of the Company's compensation risk management programs, including assessment and mitigation, as necessary, of potential risks created by the Company's compensation practices, policies and programs (either independently or concurrently with other Board committees).

### **Chief Executive Officer Compensation**

6. Review and approve, at least annually, the compensation of the Chief Executive Officer. Such review shall be based on various factors, including, without limitation, the Company's performance, the Chief Executive Officer's performance, the compensation paid to chief executive officers at other comparable companies, and the compensation paid to the Chief Executive Officer in past years. The Committee shall meet outside of the presence of the Chief Executive Officer when deliberating or voting on the Chief Executive Officer's compensation.
7. Approve, for the Chief Executive Officer, severance arrangements, change-in-control arrangements, perquisites and other personal benefits, in each case, when and if appropriate. The Committee shall meet outside of the presence of the Chief Executive Officer when deliberating or voting on such arrangements.

### **Tier II Executive Officers Compensation**

8. Review and approve, at least annually, the compensation of the Tier II Executive Officers. Such review shall be based on various factors, including, without limitation, the

Company's performance, the performance of each of the Tier II Executive Officers, the compensation paid to senior executives at other comparable companies, and the compensation paid to the Tier II Executive Officers in past years. The Committee may, in its discretion, invite the Chief Executive Officer to be present during approval of the compensation for the Tier II Executive Officers.

9. Approve, for the Tier II Executive Officers, severance arrangements, change-in-control arrangements, perquisites and other personal benefits, in each case, when and if appropriate. The Committee may, in its discretion, invite the Chief Executive Officer to be present during approval of such arrangements for the Tier II Executive Officers.

#### Reports and Charter Review

10. Review and discuss with the Company's management the CD&A and make a recommendation to the Board as to whether the CD&A should be included in the Company's annual proxy statement, annual report on Form 10-K or information statement, as applicable.
11. Conduct and review with the Board annually an evaluation of the Committee's performance with respect to the requirements of this Charter.
12. Review, update and assess the adequacy of this Charter from time to time as the Committee deems appropriate, and recommend any proposed modifications to this Charter to the Board for its approval, if and when appropriate.
13. Report regularly to the Board, including with respect to matters discussed at the meetings of the Committee and actions taken by the Committee at such meetings.

In addition to the foregoing, the Committee shall perform such other functions and have such other powers as it shall deem necessary to the efficient discharge of the foregoing and as may be delegated to the Committee by the Board from time to time.

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain compensation consultants, independent legal counsel or other advisors. The Committee shall have sole authority to approve the fees and other retention terms with respect to such advisors. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to any advisors engaged or employed by the Committee. The Committee shall also have the authority, to the extent it deems necessary or appropriate, to delegate duties to a sub-committee, composed of members of the Committee.

**Approved by the Board of Directors on September 28, 2011, superseding the charter previously approved on March 14, 2007**