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RENT A CENTER INC DE
Form DEF 14A
April 12, 2002

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934
(Amendment No.)

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
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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.
- \$125 per Exchange Act Rules 0-11(c) (1) (ii), 14a-6(i) (1), 14a-6(i) (2) or Item 22(a) (2) of Schedule 14A.
- Fee computed on table below per Exchange Act Rules 14a-6(i) (1) and 0-11.
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[LOGO] Rent A Center (R)

PROXY STATEMENT FOR
AND
NOTICE OF
2002 ANNUAL STOCKHOLDERS MEETING

Annual Meeting: May 21, 2002
9:30 a.m. local time

Location: Rent-A-Center, Inc.
5700 Tennyson Parkway
Fourth Floor
Plano, Texas 75024

Record Date: Close of business on March 28, 2002
If you were a stockholder of record at the close of business on March 28, 2002, you vote at the meeting.

Number of Votes: Holders of our Common Stock are entitled to one vote for each share of Common Stock they owned on March 28, 2002. The holders of our Preferred Stock were entitled to their 292,434 shares of Preferred Stock into 10,468,373 shares of our Common Stock March 28, 2002, and thus are entitled to an equal number of votes.

Agenda: 1. To elect two directors, one of whom is to be elected by all of the stockholders of whom is to be elected by the holders of our Preferred Stock; and
2. To transact any other proper business.

Proxies: Unless you tell us on the proxy card to vote differently, we will vote signed return "for" the Board's nominees. The proxy holders will use their discretion on other matters. If a nominee cannot or will not serve as a director, the proxy holders will vote for a nominee whom they believe will carry on our present policies.

Proxies Solicited By: The Board of Directors

First Mailing Date: This proxy statement is dated April 12, 2002. We are first mailing this proxy statement about April 19, 2002.

Revoking Your Proxy: You may revoke your proxy before it is voted at the meeting. To revoke, follow the procedures listed on page 20 under "Voting Procedures/Revoking Your Proxy--How You May Revoke Your Proxies."

PLEASE VOTE BY RETURNING YOUR PROXY--YOUR VOTE IS IMPORTANT
Prompt return of your proxy will help reduce the costs of resolicitation.

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ELECTION OF DIRECTORS

Board Structure: The number of directors currently constituting our entire Board is eight. We currently have seven members serving on our Board, with one vacant Class I position. The directors are divided into three classes. In general, directors in each class serve for a term of three years.

Mr. Arnette currently serves as one of our Class II directors with a term that expires at this year's annual stockholders meeting. Mr. Arnette has advised us that he does not intend to stand for re-election. Accordingly, our Board has fixed the number of directors on our entire Board at seven including one vacant Class I position, such change to take effect upon the election of the two Class II director positions at this year's annual stockholders meeting. As a result, only two Class II director positions are available and will be filled at this year's annual meeting.

Under the terms of our Certificate of Incorporation, the holders of our Preferred Stock are entitled to elect two of the seven directors, one of whom is a Class I director and the other whom is a Class II director. Mr. Copses currently serves as the Class I director and Mr. Berg currently serves as the Class II director elected by the holders of our Preferred Stock. In addition, under the terms of our stockholders agreement between Apollo and us, Mr. Speese and us, Apollo is entitled to nominate a third person as a Class III director to be elected by all of our stockholders. Mr. Jhwar currently serves as the Class III director designated by Apollo.

Number of Directors to be Elected: Two directors are to be elected, one of whom is to be elected by all of our stockholders and one of whom is to be elected by the holders of our Preferred Stock, voting separately by class.

BOARD NOMINEES Our Board has nominated Mark E. Speese to be reelected by all of the stockholders and our Board has also nominated Laurence M. Berg to be reelected by the holders of our Preferred Stock. We urge you to vote for Messrs. Speese and Berg.

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Terms to Expire at Mark E. Speese
the 2005 Annual
Meeting:

Mr. Speese has served as our Chairman of the Board and Chief Executive Officer since October 2001 and has served as our directors since 1990. Mr. Speese previously served as our Chairman from September 1999 until December 2000. From 1990 until April 1999, Mr. Speese served as our President. Mr. Speese served as our Chief Operating Officer from November 1994 until March 1999. From our inception in 1986 until 1990, Mr. Speese served as a Vice President responsible for our New Jersey operations. Prior to joining us, Mr. Speese was a regional manager at Thorn Americas from 1979 until 1986. Mr. Speese's term as a Class I director expires at this year's annual stockholders meeting. Mr. Speese is 44 years old.

Laurence M. Berg

Mr. Berg has served as one of our directors since August 1998. Mr. Berg is a partner of Apollo Management, L.P., where he has worked since 1992. Prior to joining Apollo, Mr. Berg was a member of the Mergers and Acquisition Group at Drexel Burnham Lambert. Mr. Berg is also a director of Sylvan Learning Systems, a provider of personalized instruction services, and AMC Entertainment, an operator of movie theaters. Mr. Berg serves as one of the two Class II directors elected by the holders of our Preferred Stock. Mr. Berg's term as a Class II director expires at this year's annual stockholders meeting. Mr. Berg is 35 years old.

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CONTINUING DIRECTORS

Terms to Expire at J.V. Lentell
the 2003 Annual
Meeting:

Mr. Lentell has served as one of our directors since February 2000. Mr. Lentell was employed by Kansas State Bank & Trust Co., Wichita, Kansas, from 1966 until July 1993, serving as Chairman of the Board from 1981 until July 1993. Since July 1993, he has served as a director and Vice Chairman of the Board of Directors of Intraco, N.A., successor by merger to Kansas State Bank & Trust Co. Mr. Lentell's term as a Class III director expires at our 2003 stockholders meeting. Mr. Lentell is 63 years old.

Andrew S. Jhawar

Mr. Jhawar has served as one of our directors since October 2000. Mr. Jhawar has been associated with Apollo Management, L.P., since February 2000. Prior to joining Apollo, Mr. Jhawar was an investment banker at Donaldson, Lufkin, & Jenrette Securities from August 1997 until January 2000, and from July 1993 until December 1997, at Jeffries & Company, Inc., primarily concentrating on the structuring and execution of high yield and equity financing transactions. From 1998 until July 1999, Mr. Jhawar attended Harvard Business School where he received his MBA degree. Mr. Jhawar serves as the director nominated by Apollo under the stockholders agreement between Mr. Speese and us. Mr. Jhawar's term as a Class III director expires at our 2003 annual stockholders meeting. Mr. Jhawar is 30 years old.

Terms to Expire at Mitchell E. Fadel
the 2004 Annual
Meeting:

Mr. Fadel has served as our President since July 2000 and as a director since December 2000. From November 1992 until July 2000, Mr. Fadel served as President and Chief Executive Officer of

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ColorTyme. We acquired ColorTyme in May 1996. From 1983 until 1991, Mr. Fadel was a Regional Manager for Thorn Americas and its affiliates. Mr. Fadel's term as a Class I director expires at our next annual stockholders meeting. Mr. Fadel is 44 years old.

Peter P. Copses Mr. Copses has served as one of our directors since August 1, 2001. Mr. Copses is a partner of Apollo Management, L.P., where he has worked since 1990. Prior to joining Apollo, Mr. Copses was an investment banker at Drexel Burnham Lambert, and subsequently at Donaldson, Lufkin, & Jenrette Securities, primarily concentrating on the structuring, financing, and negotiation of mergers and acquisitions. Mr. Copses is also a director of Zale Corporation, an operator of specialty retail jewelry stores. Mr. Copses serves as one of our Class I directors elected by the holders of our Preferred Stock. Mr. Copses' term as a Class I director expires at our 2004 annual stockholders meeting. Mr. Copses is 43 years old.

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BOARD INFORMATION

Board Meetings: During 2001, our Board of Directors met eight times, including regularly scheduled meetings and special meetings. Each director attended all meetings of the Board during his or her term as a director, except that Messrs. Lentell, Fadel, Arnette, and Jhawar each was unable to attend one meeting after receiving or waiving proper notice. The Board took action by written consent one time during 2001.

Board Committees: Under our stockholders agreement, each committee of our Board is to consist of three directors, one of whom must be a director nominated by Apollo. Under our Certificate of Incorporation and our stockholders agreement, so long as our Preferred Stock is outstanding, one member of the Audit Committee, the Compensation Committee, the Finance Committee, and the Executive Committee, if one is created, must be a director who was elected by holders of our Preferred Stock, which also counts as Apollo's designee on such committee.

The Audit Committee recommends the appointment of our independent auditors. It also approves audit reports and plans, accounting policies, audit fees and certain audit-related expenses. The Audit Committee held three meetings in 2001. All members of the Audit Committee are "independent" as defined in the NASD listing standards. Under our Certificate of Incorporation and our stockholders agreement, a director elected by the holders of our Preferred Stock must be a member of the Audit Committee. The Board has adopted a written charter for the Audit Committee. The Audit Committee reviews and reassesses the adequacy of the written charter on an annual basis. Members: Mr. Lentell, Chairman, and Messrs. Berg and Copses.

The Compensation Committee manages executive officer compensation. It also administers our compensation and incentive plans, including our Long-Term Incentive Plan. The Compensation Committee evaluates the competitiveness of our compensation and the performance of our Chief Executive Officer. The Compensation Committee held one regular meeting in 2001 and acted by unanimous written consent six times during 2001. All members of the Compensation Committee are non-employee directors. Under our Certificate of Incorporation and our stockholders agreement, a director elected by the holders of our Preferred Stock must be a member of the Compensation Committee. Members: Mr. Lentell, Chairman, and Messrs. Berg and Copses.

The Finance Committee. Under our Certificate of Incorporation, the Finance Committee must approve the issuance of debt and equity securities, except in limited circumstances.

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In certain cases the approval must be unanimous. Under our Certificate of Incorporation and our stockholders agreement, a director elected by the holders of our Preferred Stock must be a member of the Finance Committee. The Finance Committee met two times during 2001. Members: Messrs. Speese, Lentell and Copses.

BOARD COMPENSATION

Retainer and Fees: Non-employee directors each received \$3,500 for each Board meeting and \$1,000 for each Finance Committee meeting attended in 2001 and were reimbursed for their expenses in attending such meetings. In 2002, non-employee directors will each receive \$3,500 for each Board meeting and \$1,000 for each Finance Committee meeting attended and will be reimbursed for their expenses in attending such meetings. Messrs. Talley, Fadel and Arnette did not receive any compensation for their services as a director during 2001. Mr. Speese received compensation prior to October 2001, during which time he served as only a director.

Option Grants: Non-employee directors receive options to purchase 9,000 shares of our Common Stock on their first year of service as a director and options to purchase 5,000 shares of our Common Stock on the first business day of each year thereafter. The exercise price of the options is the fair market value of our shares of our Common Stock on the grant date. These options vest and are exercisable immediately. Messrs. Talley, Fadel and Arnette were not granted any options for their services as a director during 2001. Mr. Speese received 9,000 options on January 1, 2001 because he was serving only as a director at that time.

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EXECUTIVE OFFICERS

The Board appoints our executive officers at the first Board meeting following our Annual Meeting of Stockholders, and updates the executive officer positions as needed throughout the year. Each executive officer serves at the behest of the Board and until their successors are elected and appointed or until the earlier of their death, resignation or removal.

The following table sets forth certain information with respect to our executive officers:

Name	Age	Position
----	---	-----
Mark E. Speese.....	44	Chairman of the Board of Directors and Chief Executive Officer
Mitchell E. Fadel...	44	President
Dana F. Goble.....	36	Executive Vice President--Operations
David A. Kraemer....	40	Executive Vice President--Operations
Robert D. Davis.....	30	Senior Vice President--Finance, Chief Financial Officer and Treasurer
Steven M. Arendt....	45	Chief Executive Officer and President of ColorTyme, Inc.
Christopher A. Korst	42	Senior Vice President--General Counsel

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Anthony M. Doll..... 33 Senior Vice President
C. Edward Ford, III. 35 Senior Vice President
John H. Whitehead... 52 Senior Vice President
William C. Nutt..... 45 Senior Vice President
Timothy J. Stough... 46 Senior Vice President
Mark S. Connelly.... 39 Senior Vice President
David G. Ewbank..... 45 Senior Vice President
David R. Reed..... 48 Senior Vice President
Richard S. Lillard.. 34 Senior Vice President
David M. Glasgow.... 33 Corporate Secretary

Mark E. Speese Mr. Speese has served as our Chairman of the Board and Chief Executive Officer since October 2001 and has served as one of our directors since 1990. Mr. Speese previously served as our Vice Chairman from September 1999 until December 2000. 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. From our inception in 1986 until 1990, Mr. Speese served as a Vice President responsible for our New Jersey operations. Prior to joining us, Mr. Speese was a regional manager for Thorn Americas from 1979 until 1986.

Mitchell E. Fadel Mr. Fadel has served as our President since July 2000 and as a director since December 2000. From November 1992 until July 2000, Mr. Fadel served as President and Chief Executive Officer of ColorTyme. We acquired ColorTyme in May 1996. From 1983 to 1991, Mr. Fadel was a regional manager for Thorn Americas and its affiliates.

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Dana F. Goble Mr. Goble has served as Executive Vice President-- Operations since July 2001 and has served as an Executive Vice President since March 1999. From March 2000 until June 2001, Mr. Goble also served as our Chief Operating Officer. From December 1996 until March 1999, Mr. Goble served as one of our Senior Vice Presidents, and from May 1995 until December 1996, Mr. Goble served as one of our Regional Vice Presidents. From April 1993 until May 1995, Mr. Goble served as our regional manager for the Detroit, Michigan area.

David A. Kraemer Mr. Kraemer has served as Executive Vice President-- Operations since July 2001 and has served as an Executive

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Vice President since May 2001. From September 1998 until April 2001, Mr. Kraemer served as one of our Senior Vice Presidents. From December 1995 until September 1998, Mr. Kraemer served as one of our Regional Vice Presidents. Mr. Kraemer served as a Divisional Vice President for MRTO Holdings from November 1990 until September 1995, when we acquired MRTO Holdings.

Robert D. Davis Mr. Davis has served as our Senior Vice President--Finance since September 1999, our Chief Financial Officer since March 1999 and our Treasurer since January 1997. From September 1998 until September 1999, Mr. Davis served as our Vice President--Finance and Treasurer. From June 1997 until September 1998, Mr. Davis served as our Treasurer. From January 1997 until June 1997, Mr. Davis served as our Assistant Secretary and Treasurer. From June 1995 until January 1997, Mr. Davis served as our Payroll Supervisor and from June 1993 until June 1995 served as an accountant for us. Mr. Davis is a licensed certified public accountant in the State of Texas.

Steven M. Arendt Mr. Arendt has served as President and Chief Executive Officer of ColorTyme since July 2000. From January 1999 until July 2000, Mr. Arendt served as Chief Operating Officer of ColorTyme. From January 1997 until December 1998, Mr. Arendt served as Vice President of Operations for Cash America, a pawn-shop chain based in Fort Worth, Texas. From July 1996 until December 1996, Mr. Arendt served as Vice President of Special Projects for Thorn Americas. From March 1995 until July 1996, Mr. Arendt served as Vice President of Remco.

Christopher A. Korst Mr. Korst has served as our Senior Vice President--General Counsel since May 2001. From January 2000 until May 2001, Mr. Korst owned and operated AdvantEdge Quality Cars, which he acquired in a management buyout. From December 1997 until October 1999, Mr. Korst served as Chief Operating Officer of AdvantEdge Quality Cars. From November 1996 until November 1997, Mr. Korst served as Vice President of Thorn Auto, a division of Thorn Americas. During 1996, Mr. Korst served as Vice President--Business Development of Thorn Americas. From 1992 until 1996, Mr. Korst served as Vice President--Assistant General Counsel of Thorn Americas.

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Anthony M. Doll Mr. Doll has served as one of our Senior Vice Presidents since September 1998. From September 1996 until September 1998, Mr. Doll served as one of our Regional Vice Presidents. From May 1995 until September 1996, Mr. Doll served as our regional manager for the Detroit, Michigan area.

C. Edward Ford, III Mr. Ford has served as one of our Senior Vice Presidents since September 1998. From January 1997 until

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September 1998, Mr. Ford served as one of our Regional Vice Presidents. From November 1994 until January 1997, Mr. Ford served as our regional manager for the Tennessee region. From July 1993 until November 1994, Mr. Ford served as one of our store managers.

John H. Whitehead Mr. Whitehead has served as one of our Senior Vice Presidents since September 1997. From May 1995 until September 1997, Mr. Whitehead served as one of our Regional Vice Presidents. From July 1993 until May 1995, Mr. Whitehead served as our regional manager for the Atlanta, Georgia area.

William C. Nutt Mr. Nutt has served as one of our Senior Vice Presidents since May 1998. From December 1995 until May 1998, Mr. Nutt served as one of our Regional Vice Presidents. From December 1992 until December 1995, Mr. Nutt served as our regional manager for the Northeast Ohio area.

Timothy J. Stough Mr. Stough has served as one of our Senior Vice Presidents since February 2000. From September 1998 until February 2000, Mr. Stough served as one of our Regional Directors. From January 1998 until September 1998, Mr. Stough served as a Regional Director of Thorn Americas, overseeing stores from South Carolina to Vermont. From 1987 until 1998, Mr. Stough served as a Market Manager for Thorn Americas in North Carolina, South Carolina and Tennessee.

Mark S. Connelly Mr. Connelly has served as one of our Senior Vice Presidents since September 1999. From June 1998 until September 1999, Mr. Connelly served as one of our Regional Vice Presidents. From February 1998 until May 1998, Mr. Connelly served as a Division Manager of Central Rents. From October 1997 until February 1998, Mr. Connelly acted as Director of Operations/Acquisitions of Spin Cycle, a start-up chain of coin-operated laundromats. From April 1997 until October 1997, Mr. Connelly was a group manager with Rent Mart, a rent-to-own subsidiary of The Associates. From June 1996 until March 1997, Mr. Connelly was the Vice President-Operations of Trans Texas Capital, a franchisee of ColorTyme. From January 1995 until May 1996, Mr. Connelly served as the Midwest area manager of Remco America.

David G. Ewbank Mr. Ewbank has served as one of our Senior Vice Presidents since August 2000. From August 1999 until August 2000, Mr. Ewbank served as one of our Regional Directors. From October 1997 until August 1999, Mr. Ewbank served as one of our Market Managers. From August 1996 until October 1997, Mr. Ewbank served as one of our store managers. Prior to joining us in August

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1996, Mr. Ewbank served as a store manager for First Cash Pawn.

David R. Reed Mr. Reed has served as one of our Senior Vice Presidents since May 2001. From August 1998 until May 2001, Mr. Reed served as one of our Regional Directors. From November 1996 until August 1998, Mr. Reed served as one of our Market Managers. From October 1996 until November 1996, Mr. Reed served as one of our store managers. From July 1996 until October 1996, Mr. Reed served as a store manager for Central Rents. From May 1983 until July 1996, Mr. Reed served as a store manager for Remco.

Richard S. Lillard Mr. Lillard has served as one of our Senior Vice Presidents since May 2001. From December 1998 until May 2001, Mr. Lillard served as one of our Regional Directors. From October 1997 until December 1998, Mr. Lillard served as one of our Market Managers. From October 1996 until October 1997, Mr. Lillard served as one of our store managers. From December 1995 until October 1996, Mr. Lillard served as an assistant manager in various capacities in one of our stores.

David M. Glasgow Mr. Glasgow has served as our Corporate Secretary since June 1995. From June 1995 until June 1997, Mr. Glasgow also served as our Treasurer. From March 1995 until June 1995, Mr. Glasgow served as our accounting operations supervisor, and from June 1993 until March 1995, Mr. Glasgow served as one of our accountants.

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COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee reviews and approves the compensation levels for our senior management, evaluates the performance of senior management, considers management succession and considers any related matters for us. The Compensation Committee is charged with reviewing with our Board in detail all aspects of compensation for our executive officers.

Overall Philosophy and Objectives: We have developed a compensation program for executives and key employees designed to meet the following goals:

- . reward performance that increases the value of your stock;
- . attract, retain and motivate executives and key employees with competitive compensation opportunities;
- . build and encourage ownership of our shares;
- . balance short-term and long-term strategic goals; and
- . address the concerns of our stockholders, employees, the financial community and the general public.

To meet these objectives, we reviewed competitive compensation data and implemented a base salary and annual and long-term incentive programs discussed below.

Executive Compensation: The available forms of executive compensation include base salary, cash bonus and incentive stock options, restricted stock awards and stock appreciation rights. O

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is a key consideration in determining executive compensation. However, our compensation policy recognizes that stock price performance is only one measure of performance. Industry business conditions and our long-term strategic direction and goals, it necessarily be the best current measure of executive performance. Therefore, our compensation policy also gives consideration to the achievement of specified business objectives when determining executive officer compensation. The Compensation Committee in certain cases, offers employees and executive officers equity compensation in addition to salary in keeping with our overall compensation philosophy, which attempts to place the hands of our employees in an effort to further instill stockholder consideration in the actions of all the employees and executive officers.

Compensation paid to executive officers is based upon a company-wide salary structure consistent for each position relative to its authority and responsibility compared to peers. Stock option awards in fiscal year 2001 were used to reward certain officers to retain them through the potential of capital gains and equity buildup in Rent-A-Center. The number of stock options granted is determined by the subjective evaluation of the Compensation Committee's ability to influence our long term growth and profitability. Stock options granted to executive management have been granted only pursuant to our Long-Term Incentive Plan. The Board believes the award of options represents an effective incentive to create value for the benefit of stockholders.

CEO Compensation: Mr. Talley, our former Chief Executive Officer, had a base salary for fiscal year 2001 of \$550,000. The Compensation Committee deemed this salary level for 2001 to be commensurate with the Chief Executive Officer's position at comparable publicly traded companies and in recognition of the increased responsibilities associated with our position. In determining the compensation of Mr. Talley, the Compensation Committee considered Mr. Talley's performance, his compensation history and other subjective factors.

Upon Mr. Speese's appointment to the position of Chief Executive Officer in October 2001, the Compensation Committee established a base salary for him of \$550,000 per year. For fiscal year 2002, the Compensation Committee established a base salary for Mr. Speese of \$550,000. The Compensation Committee deemed this salary level for 2002 to be

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commensurate with the Chief Executive Officer's position at comparable publicly traded companies and in recognition of the increased responsibilities associated with our position. In determining Mr. Speese's salary, the Compensation Committee considered Mr. Speese's industry experience, past performance, and other subjective factors.

The Compensation Committee believes that the Chief Executive Officer's 2001 and 2002 compensation level is justified by Rent-A-Center's financial progress and performance relative to the goals set by the Compensation Committee.

COMPENSATION COMMITTEE
J. V. Lentell, Chairman
Laurence M. Berg
Peter P. Copses

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PERFORMANCE GRAPH/(1)/
Comparison of Cumulative Total Return Among
Rent-A-Center, Nasdaq Stock Market--Market Index and Rent-A-Center's "Peer

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Group"/(2)/

[CHART]

Rent-A-Center, Inc.
Performance Graph Data Points

	12/31/96	12/31/97	12/31/98	12/31/99	12/31/00	12/31/01
Rent-A-Center, Inc. Index	100.00	141.38	218.97	136.64	237.93	231.52
Peer Group Index	100.00	168.13	156.02	152.39	97.40	115.95
NASDAQ Market Index	100.00	122.32	172.52	304.29	191.25	152.46

/(1)/ Assumes \$100 invested on January 1, 1997 and dividends reinvested. Historical performance does not necessarily predict future results.

/(2)/ Because of the consolidation in the rent-to-own industry, our peer group has changed since December 31, 1996. Our peer group for the 2001 fiscal year consists of Aaron Rents, Inc., Bestway, Inc., Heilig Meyers Company, RentWay, Inc., and Rainbow Rentals, Inc.

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EXECUTIVE COMPENSATION AND OTHER INFORMATION

Summary of Compensation: The following table summarizes the compensation we paid the two individuals who served our Chairman and Chief Executive Officer and each of the four other most highly compensated executive officers at the end of 2001, based on compensation paid to them in 2001. included are two additional individuals who would have been among our four other most compensated executive officers but for the fact that they were not serving as an executive officer at the end of 2001.

Name & Principal Position		Annual Compensation/(1)/		Long-Term Compensation	All Other Compensation(\$)
		Salary(\$)	Bonus(\$)	Securities Underlying Options(#)	
Mark E. Speese/(2)/.....	2001	\$126,900/(3)/	--	209,000/(4)/	--
Chairman of the Board &	2000	120,000	--	--	--

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Chief Executive Officer	1999	124,700	\$ 7,400	--	--
J. Ernest Talley/(5)/.....	2001	\$425,200	--	--	--
Former Chairman of the	2000	500,000	--	--	--
the Board & Chief	1999	400,000	--	100,000/(6)/	--
Executive Officer					
Mitchell E. Fadel.....	2001	\$400,000	\$ 15,700	100,000/(7)/	--
President	2000	315,000	76,600	35,000/(8)/	--
	1999	245,000	121,200	5,000/(9)/	--
Dana F. Goble.....	2001	\$250,000	\$ 15,700	25,000/(10)/	--
Executive Vice President	2000	233,000	17,400	--	--
--Operations	1999	176,200	15,300	20,000/(11)/	--
David A. Kraemer.....	2001	\$190,400	\$ 25,000	35,000/(12)/	--
Executive Vice President	2000	152,900	17,400	--	--
--Operations	1999	150,000	15,300	5,000/(13)/	--
Steven M. Arendt.....	2001	\$155,000	\$ 49,500	--	--
Chief Executive Officer	2000	143,900	45,500	--	--
and President of	1999	127,500	--	7,500/(14)/	--
ColorTyme					
L. Dowell Arnette/(15)/....	2001	\$280,000	\$ 21,700	--	--
Former Executive Vice	2000	264,800	17,400	--	--
President--Growth	1999	248,900	15,300	25,000/(16)/	--
Bradley W. Denison/(17)/...	2001	\$115,700	\$ 8,200	--	\$235,000/(18)/
Former Senior Vice	2000	235,000	17,400	--	--
President & General	1999	235,000	15,300	--	--
Counsel					

 /(1)/ Except for Mr. Denison as discussed in footnote 18 below, the named executive officers did not receive any annual compensation not properly categorized as salary or bonus, except for certain perquisites or other benefits the aggregate cost of which did not exceed the lesser of \$50,000 or 10% of the total of annual salary and bonus for each such officer.

/(2)/ On October 8, 2001, Mr. Speese was appointed as our Chairman of the Board and Chief Executive Officer.

/(3)/ Salary amount represents salary paid to Mr. Speese from October 8, 2001 through December 31, 2001.

/(4)/ In January 2001, Mr. Speese, while serving as a non-employee director, was granted 9,000 options to purchase our Common Stock on a one-for-one basis pursuant to our Long-Term Incentive Plan. The options vested immediately and expire ten years from the date of grant. In addition, in November 2001, while serving as our Chairman and Chief Executive Officer, Mr. Speese was granted 200,000 options to purchase our Common Stock on a one-for-one basis, pursuant to our Long-Term Incentive Plan. These options vest as follows: 12.5% one year from the date of grant, an additional 12.5% two years from the date of grant, and additional 37.5% three years from the date of grant, and an additional 37.5% four

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years from the date of grant. Mr. Speese has also agreed to a lock-up period of two years following the date of grant during which he will not be permitted to exercise any of the options granted in the November 2001 grant.

- / (5) / On October 8, 2001, Mr. Talley resigned from his positions as Chairman of the Board and Chief Executive Officer.
- / (6) / In December 1999, Mr. Talley was granted 100,000 options to purchase our Common Stock on a one-for-one basis, pursuant to our Long-Term Incentive Plan. Of these 100,000 options, 20,189 were to vest over four years and expire five years from the date of grant. The remaining 79,811 options were to vest over four years and expire 10 years from the date of grant. Upon Mr. Talley's resignation as our Chairman of the Board and Chief Executive Officer, 75,001 options under this grant expired.
- / (7) / In November 2001, Mr. Fadel was granted 100,000 options to purchase our Common Stock on a one-for-one basis, pursuant to our Long-Term Incentive Plan. The options vest over four years and expire ten years from the date of grant.
- / (8) / In July 2000, Mr. Fadel was granted 35,000 options to purchase our Common Stock on a one-for-one basis, pursuant to our Long-Term Incentive Plan. The options vest over four years and expire 10 years from the date of grant.
- / (9) / In December 1999, Mr. Fadel was granted 5,000 options to purchase our Common Stock on a one-for-one basis, pursuant to our Long-Term Incentive Plan. The options vest over four years and expire 10 years from the date of grant.
- / (10) / In November 2001, Mr. Goble was granted 25,000 options to purchase our Common Stock on a one-for-one basis, pursuant to our Long-Term Incentive Plan. The options vest over four years and expire ten years from the date of grant.
- / (11) / In January 1999, Mr. Goble was granted 10,000 options to purchase our Common Stock on a one-for-one basis and in December 1999, was granted an additional 10,000 options to purchase our Common Stock on a one-for-one basis, all pursuant to our Long Term Incentive Plan. The options each vest over four years and expire 10 years from the date of grant.
- / (12) / In July 2001, Mr. Kraemer was granted 10,000 options to purchase our Common Stock on a one-for one basis and, in November 2001, was granted an additional 25,000 options to purchase our Common Stock on a one-for-one basis, all pursuant to our Long Term Incentive Plan. The options each vest over four years and expire ten years from the date of grant.
- / (13) / In December 1999, Mr. Kraemer was granted 5,000 options to purchase our Common Stock on a one-for-one basis, pursuant to our Long-Term Incentive Plan. The options vest over four years and expire ten years from the date of grant.
- / (14) / In January 1999, Mr. Arendt was granted 7,500 options to purchase our Common Stock on a one-for-one basis, pursuant to our Long-Term Incentive Plan. The options vest over four years and expire ten years from the date of grant.

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- /(15)/ On October 8, 2001, Mr. Arnette resigned from his position as our Executive Vice President--Growth. Mr. Arnette is included in this table as he would have been among our four other most highly compensated officers but for the fact that he was not serving as an executive officer at the end of 2001.
- /(16)/ In January 1999, Mr. Arnette was granted 15,000 options to purchase our Common Stock on a one-for-one basis and, in December 1999, was granted and additional 10,000 options to purchase our Common Stock on a one-for-one basis, all pursuant to our Long-Term Incentive Plan. The options vest over four years and expire 10 years from the date of the grant.
- /(17)/ In May 2001, Mr. Denison resigned from his position as our Senior Vice President--General Counsel. Mr. Denison is included in this table as he would have been among our four other most highly compensated officers but for the fact that he was not serving as an executive officer at the end of 2001.
- /(18)/ Upon his resignation, Mr. Denison received a severance payment equal to one year's annual salary of \$235,000 pursuant to the terms of his employment agreement.

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Stock Options The following table lists our grants during 2001 of stock options to the named executive officers named in the Summary Compensation Table. The amounts shown as potential realizable value are based on arbitrarily assumed rates of share price appreciation prescribed by the SEC. For those values, please note that the ultimate value of the options, as well as your own, will depend on actual future share values. Market conditions and the efforts of the directors, officers and other employees to foster the future success of Rent-A-Center can influence those future share prices.

Name	Number of Securities Underlying Options Granted	% of Total Granted in Fiscal 2001	Exercise Price/(2)/	Expiration Date	Potential Realizable Value at Assumed Annual Stock Price Appreciation for Option Term/(1)/	
					5%	10%
Mark E. Speese....	9,000 / (3) / 200,000 / (4) /	0.41% 9.08%	\$32.6875 \$ 25.99	01/02/11 11/09/11	\$ 185,013 \$3,268,994	\$ 468,859 \$8,284,273
J. Ernest Talley..	N/A	N/A	N/A	N/A	N/A	N/A
Mitchell E. Fadel.	100,000 / (5) /	4.54%	\$ 25.99	11/09/11	\$1,634,497	\$4,142,137
Dana F. Goble.....	25,000 / (5) /	1.14%	\$ 25.99	11/09/11	\$ 408,624	\$1,035,534
David A. Kraemer..	10,000 / (6) / 25,000 / (5) /	0.45% 1.14%	\$ 46.25 \$ 25.99	07/12/11 11/09/11	\$ 290,864 \$ 408,624	\$ 737,106 \$1,035,534

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Steven M. Arendt..	N/A	N/A	N/A	N/A	N/A	N/A
L. Dowell Arnette.	N/A	N/A	N/A	N/A	N/A	N/A
Bradley W. Denison	N/A	N/A	N/A	N/A	N/A	N/A

-
- /(1)/ These amounts represent certain assumed rates of appreciation only. Actual gains, if any, on stock option exercises are dependent on the future performance of our Common Stock and overall market conditions. There can be no assurance that the amounts reflected in this table will be achieved.
 - /(2)/ The exercise price was fixed at the date of the grant and represented the fair market value per share of Common Stock on such date.
 - /(3)/ Options are immediately exercisable on the date of the grant.
 - /(4)/ Options are exercisable as follows: 12.5% one year from the date of grant, an additional 12.5% two years from the date of grant, an additional 37.5% three years from the date of grant, and an additional 37.5% four years from the date of grant. Mr Speese has also agreed to a lock-up period of two years following the date of grant during which time he will not be permitted to exercise any of these options.
 - /(5)/ Options are exercisable at 25% per year, beginning one year from the date of grant. Additionally, the recipient of these options has agreed to a lock-up period of two years following the date of grant during which time he will not be permitted to exercise any of these options.
 - /(6)/ Options are exercisable at 25% per year, beginning one year from the date of grant. Mr. Kraemer is not subject to a lock-up period with respect to these options.

2001 Option Holdings: The following table contains the number of shares received, and the dollar value realized on the exercise of options by our named executive officers during 2001, as well as value "money" options, meaning a positive spread between the year-end share price of \$33.57 exercise price for the options held by our named executive officers. These values have been, and may never be, realized. The options might never be exercised, and the value will depend on the share price on the exercise date.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR
AND FISCAL YEAR END OPTION VALUES

Name	Shares Acquired on Exercise	Value Realized	Number of Unexercised Options at Fiscal Year End Exercisable (E)/ Unexercisable (U)	Value of Unexercised In-the-Money Options At Fiscal Year End Exercisable (E)/ Unexercisable (U)/(1)/
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Mark E. Speese....	--	N/A	9,000 (E)	200,000 (U)	\$ 7,943 (E)	\$1,516,000 (U)
J. Ernest Talley..	24,999	\$208,079	0 (E)	0 (U)	\$ 0 (E)	\$ 0 (U)
Mitchell E. Fadel.	--	N/A	21,250 (E)	128,750 (U)	\$324,250 (E)	\$1,086,263 (U)
Dana F. Goble.....	5,000	\$118,350	10,000 (E)	35,000 (U)	\$ 84,138 (E)	\$ 273,638 (U)
David A. Kraemer..	--	N/A	11,250 (E)	38,750 (U)	\$146,881 (E)	\$ 232,731 (U)
Steven M. Arendt..	--	N/A	3,750 (E)	3,750 (U)	\$ 11,513 (E)	\$ 11,513 (U)
L. Dowell Arnette.	--	N/A	36,250 (E)	0 (U)	\$517,956 (E)	\$ 0 (U)
Bradley W. Denison	17,500	\$240,625	0 (E)	0 (U)	\$ 0 (E)	\$ 0 (U)

 / (1) / The closing market price of our Common Stock on December 31, 2001 of \$33.57, as reported on the Nasdaq National Market of the Nasdaq Stock Market, Inc., was used in the calculation to determine the value of unexercised options.

EMPLOYMENT AGREEMENTS

Mr. Denison: We were a party to an employment agreement with Bradley W. Denison, dated October 1, naming Mr. Denison our Senior Vice President--General Counsel. The employment agreement provided for an annual salary of \$235,000 plus bonus and a severance amount equal to year's salary in the event of termination. Mr. Denison resigned from Rent-A-Center in 2001 and received his severance payment. No provisions of his employment agreement are currently in effect.

We do not have employment agreements with any other executive officers.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Intrust Bank: J.V. Lentell, one of our directors, serves as Vice Chairman of the Board of Directors of Intrust Bank, N.A., one of our lenders. Intrust Bank, N.A. is a \$10.4 million participant in a credit facility, of which approximately \$3.8 million was advanced at March 28, 2002. We maintain a \$10.0 million revolving line of credit with Intrust Bank, N.A. Although we may draw funds from the revolving line of credit, no funds were advanced as of March 31, 2002. In addition, Intrust Bank, N.A. serves as trustee of the Company's 401(k) plan.

Apollo On August 5, 1998, affiliates of Apollo Management IV, L.P. purchased \$250 million of our Management Preferred Stock. Pursuant to the stock purchase agreement we entered into with affiliates of Apollo Management IV, L.P., the affiliates of Apollo Management IV, L.P. have voted to own 100% of our Preferred Stock, which gives them the right to elect two individuals to our Board of Directors. In addition, pursuant to the amended and restated stockholders agreement we entered into with Apollo and Mr. Speese, Apollo has the right to nominate a third individual to our Board of Directors. Mr. Speese, Apollo has the right to nominate a third individual to our Board of Directors. Messrs. Berg and Copses currently serve as the two directors elected by the holders of our Preferred Stock and Mr. Jhawar serves as the director elected by Apollo under the stockholders agreement.

Talley In connection with Mr. Talley's retirement, we entered into an agreement with Mr. Talley to repurchase \$25.0 million worth of shares of our Common Stock held by Mr. Talley at a price equal to the average closing price of our Common Stock over the 10 trading days beginning October 9, 2001, subject to a maximum of \$27.00 per share and a minimum of \$25.00 per share. Under this formula, the purchase price for the repurchase was calculated as follows:

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per share. Accordingly, on October 23, 2001 we repurchased 493,632 shares of our Common Stock from Mr. Talley at \$20.258 per share for a total purchase price of \$10.0 million. On November 30, 2001, we repurchased an additional 740,448 shares of our Common Stock from Mr. Talley at \$20.258 per share, for a total purchase price of an additional \$15.0 million. On January 25, 2002, we exercised the option to repurchase all of the remaining 1,714,080 shares of Common Stock held by Mr. Talley at \$20.258 per share. We repurchased those remaining shares on January 30, 2002, for a total purchase price of an additional \$34.7 million.

Committee None of our executive officers served as a member of the compensation or similar committee. Interlocks: as a member of the Board of Directors of any other entity of which an executive officer is a member, the Compensation Committee or Board of Directors of Rent-A-Center.

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OTHER BUSINESS

The Board does not intend to bring any business before the annual stockholders meeting other than the matters referred to in this notice and at this date has not been informed of any matters that may be presented to the annual stockholders meeting by others. If, however, any other matters properly come before the annual stockholders meeting, it is intended that the persons named in the accompanying proxy will vote pursuant to the proxy in accordance with their best judgment on such matters.

Representatives of Grant Thornton LLP, the Company's independent public accountants for the fiscal year ended December 31, 2001, will attend the annual stockholders meeting and be available to respond to appropriate questions which may be asked by stockholders. These representatives will also have an opportunity to make a statement at the meeting if they desire to do so.

INDEPENDENT PUBLIC ACCOUNTANT INFORMATION

Grant Thornton LLP served as our independent accounting firm for the 2001 fiscal year. We paid the following fees to Grant Thornton for professional and other services rendered by them during fiscal 2001:

- . Audit Fees. The aggregate fees billed for professional services rendered by Grant Thornton for the audit of our financial statements for the 2001 fiscal year and the reviews of the financial statements included in our quarterly reports on Form 10-Q for the fiscal year were approximately \$250,000;
- . Financial Information Systems Design and Implementation Fees. The aggregate fees billed for information technology services rendered by Grant Thornton were 0; and
- . All Other Fees. The aggregate fees billed for all other services rendered by Grant Thornton to us during the 2001 fiscal year, exclusive of those services described above, were approximately \$200,000.

The Audit Committee of the Board has considered whether Grant Thornton's provision of services, other than services rendered in connection with the audit of our annual financial statements, is compatible with maintaining Grant Thornton's independence.

The Audit Committee of the Board has not appointed an independent public accounting firm for the 2002 fiscal year. The Board and the Audit Committee annually review the performance of our independent public accountants and the fees charged for their services. The Board anticipates, from time to time,

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obtaining competitive proposals from other independent public accounting firms for our annual audit. Based upon the Board and Audit Committee's analysis of this information, we will determine which independent public accounting firm to engage to perform our annual audit each year.

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AUDIT COMMITTEE REPORT ON RENT-A-CENTER'S FINANCIAL STATEMENTS

The Committee: Our Board established the Audit Committee to recommend the appointment of our independent accountants and approve audit reports and plans, accounting policies, fees and certain other expenses. The Audit Committee is composed of three members which are "independent" as defined in the NASD listing standards, and operates under a written charter, a copy of which was attached to last year's proxy statement relating to the 2001 Annual Meeting of Stockholders. The Audit Committee has prepared the following report on its activities with respect to our financial statements for the fiscal year ended December 31, 2001.

Review and Management is responsible for Rent-A-Center's financial reporting process including the system of internal control, and for the preparation of Rent-A-Center's consolidated financial statements in accordance with generally accepted accounting principles. Grant Thornton is responsible for auditing those financial statements. The Audit Committee's responsibility is to monitor and review these processes. The members of the Audit Committee are not employees of Rent-A-Center and do not represent themselves to be or to serve as, accountants or auditors by profession or experts in the field of accounting or auditing.

In connection with the preparation of our audited financial statements for the fiscal year ended December 31, 2001, the Audit Committee has

- . reviewed and discussed the audited financial statements with management;
- . discussed with Grant Thornton, the Company's independent accountants, the matters required to be discussed by Statement on Auditing Standards No. 61; and
- . received the written disclosures and the letter from Grant Thornton required by Independence Standards Board Standard No. 1, and has discussed with Grant Thornton its independence from Rent-A-Center.

Recommendation: Based on the review and discussion referred to above and relying thereon, the Audit Committee has recommended to the Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2001, for filing with the U.S. Securities and Exchange Commission.

AUDIT COMMITTEE
Peter P. Copses, Chairman
Laurence M. Berg
J.V. Lentell

SECTION 16 BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based on a review of reports filed by our directors, executive officers and beneficial holders of 10% or more of our shares, and upon representations from those persons, we believe that all SEC stock ownership reports required to be filed by those reporting persons during 2001 were timely made, except for Mr. Talley, who failed to file a Form 4 on a timely basis. A late Form 4 was filed. In addition, Mr. Arendt failed to timely file a Form 3 during 2000 and Mr. Connelly failed to timely file a Form 4 during 1999. Mr. Arendt filed a

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late Form 3 and Mr. Connelly filed a late Form 4 during 2001.

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RENT-A-CENTER STOCK OWNERSHIP

The following table lists our stock ownership for our directors, our named executive officers, and our known 5% stockholders. Ownership includes direct and indirect (beneficial) ownership, as defined by SEC rules. To our knowledge, each person, along with his or her spouse, has sole voting and investment power over the shares unless otherwise noted. Information in the table is as of March 28, 2002.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned		Shares of Series A Preferred Stock Beneficially Owned	
	Number	Percent of Class	Number	Percent of Class
Mark E. Speese.....	1,185,832/(1)/	4.91%	--	--
J. Ernest Talley.....	0	*	--	--
Mitchell E. Fadel.....	62,780/(2)/	*	--	--
Dana F. Goble.....	13,378/(3)/	*	--	--
David A. Kraemer.....	11,250/(4)/	*	--	--
Steven M. Arendt.....	5,625/(4)/	*	--	--
L. Dowell Arnette.....	0	*	--	--
Bradley W. Denison.....	0	*	--	--
J.V. Lentell.....	27,000/(4)/	*	--	--
Laurence M. Berg/(5)/.....	20,000/(4) (5)/	*	--	--
Peter P. Copses/(5)/.....	20,000/(4) (5)/	*	--	--
Andrew W. Jhawar/(5)/.....	9,000/(4) (5)/	*	--	--
Apollo/(6)/.....	10,468,373	30.26%	292,434	100.0%
Wasatch Advisors, Inc./ (7)/.....	5,907,552	24.48%	--	--
American Century Investment Management, Inc./ (8)/	2,002,385	8.30%	--	--
All officers and directors as a group (22 total).	1,442,399	5.92%	--	--

* Less than 1%

/(1)/ Includes (A) 773,157 shares held directly by him, (B) 9,000 shares underlying stock options which are currently exercisable, (C) 151,875 shares held by the Mark Speese 2000 Grantor Retained Annuity Trust, a trust organized under the laws of the State of Texas, of which Mr. Speese is the sole trustee, (D) 151,961 shares held by the Carolyn Speese 2000 Grantor Retained Annuity Trust, a trust organized under the laws of the State of Texas, of which Mr. Speese is the sole trustee, (E) 98,039 shares held by his spouse, Carolyn Speese, and (F) 1,800 held by his children. Mr. Speese disclaims beneficial ownership of the 1,800 shares held by his children.

/(2)/ Includes 21,250 shares issuable pursuant to options granted under the Long-Term Incentive Plan, all of which are currently exercisable.

/(3)/ Includes 12,500 shares issuable pursuant to options granted under the Long-Term Incentive Plan, all of which are currently exercisable.

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- /(4)/ All of which are issuable pursuant to currently exercisable options granted under the Long-Term Incentive Plan.
- /(5)/ Mr. Jhawar is a principal and Messrs. Berg and Copses are principals and officers of certain affiliates of Apollo. Accordingly, each of Messrs. Berg, Copses, and Jhawar may be deemed to beneficially own shares owned by Apollo. Messrs. Berg, Copses and Jhawar each disclaim beneficial ownership with respect to any such shares owned by Apollo.
- /(6)/ The address of Apollo is 1999 Avenue of the Stars, Suite 1900, Los Angeles, California 90067. The 10,468,373 shares of Common Stock represent the shares of Common Stock into which the Preferred Stock is convertible. Apollo owns 281,201 shares of our Preferred Stock, which represents in excess of 96% of the outstanding shares of our Preferred Stock. Apollo also has the right to vote RC Acquisition Corp.'s 11,233 shares of Preferred Stock. Apollo disclaims any beneficial ownership in these 11,233 shares other than its right to vote these shares.
- /(7)/ The address of Wasatch Advisors, Inc. is 150 Social Hall Avenue, Salt Lake City, Utah 84111.
- /(8)/ The address of American Century Investment Management, Inc. is 4500 Main Street, P.O. Box 418210, Kansas City, Missouri 64141-9210.

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VOTING PROCEDURES / REVOKING YOUR PROXY

Quorum: Because the holders of our Preferred Stock are entitled to elect one director as class, there are different standards for determining if a quorum is present. For electing the director to be elected by the holders of our Preferred Stock, there is a majority of the outstanding shares of our Preferred Stock on the Record Date, present in person or by proxy, at this year's annual stockholders meeting. For purposes of electing any other director, the holders of a majority of the votes entitled to vote at this year's annual stockholders meeting, including the votes entitled to vote held by the holders of our Preferred Stock, present in person or by proxy, will constitute a quorum. For all other purposes, the holders of the majority of the votes entitled to vote at this year's annual stockholders meeting, present in person or by proxy, will constitute a quorum.

Votes Required: To be elected, directors must receive a plurality of the shares voting in person or by proxy to Approve a proposal, provided a quorum exists. A plurality means receiving the largest number of votes cast on the proposal. **Proposal:** of whether that is a majority. All other matters submitted to you at the meeting will be decided by a majority of the votes cast on the matter, provided a quorum exists, except as otherwise provided by law or our Certificate of Incorporation or Bylaws.

Shares: On the Record Date, there were 24,130,487 shares of our Common Stock outstanding. One outstanding share of Common Stock entitles the holder to one vote per share. On the Record Date, the Number of Shares of Preferred Stock outstanding were 292,434 shares of Preferred Stock. Each share of Preferred Stock entitles the holder to approximately 35.8 votes per share, or 10,468,373 votes in the aggregate.

Abstentions: Those who fail to return a proxy or attend the meeting will not count towards determining the required plurality, majority or quorum. Stockholders and brokers returning proxies will count towards determining a quorum. However, such abstentions will have no effect on the outcome of the election of our directors. **Non-Votes:** the meeting who abstain from voting on the election of our directors will count towards determining a quorum. However, such abstentions will have no effect on the outcome of the election of our directors.

Brokers holding shares of record for customers generally are not entitled to vote.

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matters unless they receive voting instructions from their customers. In the event we do not receive voting instructions for these matters from its customers, a broker will be deemed to vote those shares for us that it lacks voting authority to vote those shares. These "broker non-votes" that could have been cast on the matter in question by brokers with respect to our shares if the brokers had received their customers' instructions. These broker non-votes will be included in determining whether a quorum exists, but will have no effect on the election of our directors.

How the Proxies Will be Voted: The enclosed proxies will be voted in accordance with the instructions you place on the proxy card. Unless otherwise stated, all shares represented by your returned, signed proxy will be voted as noted on the first page of this proxy statement.

How You May Revoke Your Proxies: You may revoke your proxies by:

- . Delivering a signed, written revocation letter, dated later than the proxy, to David M. Glasgow, Corporate Secretary, at 5700 Tennyson Parkway, Third Floor, Plano, Texas 75024;
- . Delivering a signed proxy, dated later than the first one, to Mellon Investor Services, 600 Willow Tree Road, Leonia, NJ 07605, Attn: Norma Cianfaglione; or
- . Attending the meeting and voting in person or by proxy. Attending the meeting and voting in person will revoke your proxy.

Proxy Solicitation: Our employees will solicit proxies for no additional compensation. We will reimburse brokers, custodians, nominees and fiduciaries for reasonable expenses they incur in delivering these proxy materials to you if you are a beneficial holder of our shares.

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SUBMISSION OF STOCKHOLDER PROPOSALS

Dates for Submission of Stockholders' Proposals: From time to time, stockholders may seek to nominate directors or present proposals for inclusion in the proxy statement and form of proxy for consideration at an annual or any special meeting. To be included in the proxy statement or considered at an annual or any special meeting, you must timely submit nominations of directors or proposals, in addition to any other legal requirements. We must receive proposals for the 2003 annual stockholder meeting no later than December 20, 2002 for possible inclusion in the proxy statement, or prior to February 20, 2003 for possible consideration at the meeting, which is expected to take place on May 20, 2003. Direct any proposals, as well as related questions, to the undersigned.

ANNUAL REPORT ON FORM 10-K

You may obtain a copy of our Annual Report on Form 10-K that we filed with the Securities and Exchange Commission, without charge, by submitting a written request to:

David M. Glasgow, Corporate Secretary
Rent-A-Center, Inc.
5700 Tennyson Parkway, Third Floor
Plano, Texas 75024.

You may also obtain our SEC filings through the internet at www.sec.gov.

By order of the Board of Directors,

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/s/ David M. Glasgow
David M. Glasgow
Corporate Secretary

PLEASE VOTE--YOUR VOTE IS IMPORTANT

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RENT-A-CENTER, INC.
5700 TENNYSON PARKWAY, FOURTH FLOOR
PLANO, TEXAS 75024

THIS PROXY IS SOLICITED ON BEHALF OF
THE BOARD OF DIRECTORS OF THE COMPANY

COMMON STOCK

P The undersigned, hereby revoking all prior proxies, hereby appoints
R Robert D. Davis and David M. Glasgow jointly and severally, with full power
O to act alone, as my true and lawful attorneys-in-fact, agents and proxies,
X with full and several power of substitution to each, to vote all the shares
of Common Stock of Rent-A-Center, Inc. which the undersigned would be
entitled to vote if personally present at the Annual Meeting of
Stockholders of Rent-A-Center, Inc. to be held on May 21, 2002 and at any
adjournments and postponements thereof. The above-named proxies are hereby
instructed to vote as shown on the reverse side of this card.

Y THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS SPECIFIED HEREIN,
BUT WHERE NO DIRECTION IS GIVEN IT WILL BE VOTED "FOR" THE ELECTION OF THE
NOMINEE FOR THE BOARD OF DIRECTORS AND IN THE DISCRETION OF THE ABOVE-NAMED
PERSONS ACTING AS PROXIES ON SUCH OTHER MATTERS THAT MAY PROPERLY COME
BEFORE THE MEETING.

COMMENTS/ADDRESS CHANGE: PLEASE MARK COMMENT/ADDRESS CHANGE ON REVERSE SIDE

(Continued and to be signed on other side)

/\ FOLD AND DETACH HERE /\

Please mark
your votes as [X]
indicated in
this example

1. ELECTION OF CLASS II DIRECTOR for the Item set forth in the accompanying
proxy statement.

FOR the
nominee
listed below

WITHHOLD
AUTHORITY
to vote for the nominee
listed below.

[]

[]

Mark E. Speese

WITHHELD FOR: (To withhold authority to vote for any individual nominee, write

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the nominee's name in the space provided below.)

- 2. In their discretion, upon such other business as may properly come before the meeting.

I PLAN TO ATTEND []

The undersigned(s) acknowledges receipt of the Notice of 2002 Annual Meeting of Stockholders and the proxy statement accompanying the same, each dated April 12, 2002.

Please date this proxy and sign your name exactly as it appears hereon. If there is more than one owner, each should sign. When signing as an agent, attorney, administrator, guardian or trustee, please indicate your title as such. If executed by a corporation this proxy should be signed in the corporate name by a duly authorized officer who should so indicate his or her title.

PLEASE DATE, SIGN AND RETURN THIS PROXY PROMPTLY IN THE ENCLOSED ENVELOPE.

Date

Signature

Signature if held jointly

/\ FOLD AND DETACH HERE /\

RENT-A-CENTER, INC.
5700 TENNYSON PARKWAY, FOURTH FLOOR
PLANO, TEXAS 75024

THIS PROXY IS SOLICITED ON BEHALF OF
THE BOARD OF DIRECTORS OF THE COMPANY

SERIES A PREFERRED STOCK

P The undersigned, hereby revoking all prior proxies, hereby appoints
R Robert D. Davis and David M. Glasgow jointly and severally, with full power
O to act alone, as my true and lawful attorneys-in-fact, agents and proxies,
X with full and several power of substitution to each, to vote all the shares
of Series A Preferred Stock of Rent-A-Center, Inc. which the undersigned
would be entitled to vote if personally present at the Annual Meeting of
Stockholders of Rent-A-Center, Inc. to be held on May 21, 2002 and at any
adjournments and postponements thereof. The above-named proxies are hereby
instructed to vote as shown on the reverse side of this card.

Y THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS SPECIFIED HEREIN,
BUT WHERE NO DIRECTION IS GIVEN IT WILL BE VOTED "FOR" THE ELECTION OF THE
NOMINEES FOR THE BOARD OF DIRECTORS AND IN THE DISCRETION OF THE ABOVE-
NAMED PERSONS ACTING AS PROXIES ON SUCH OTHER MATTERS THAT MAY PROPERLY
COME BEFORE THE MEETING.

COMMENTS/ADDRESS CHANGE: PLEASE MARK COMMENT/ADDRESS CHANGE ON REVERSE SIDE

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(Continued and to be signed on other side)

/\ FOLD AND DETACH HERE /\

Please mark
your votes as [X]
indicated in
this example

1. ELECTION OF CLASS II DIRECTORS for the Item set forth in the accompanying proxy statement.

FOR the
nominee
listed below

WITHHOLD
AUTHORITY
to vote for the nominee
listed below.

[]

[]

Mark E. Speese
Laurence M. Berg

WITHHELD FOR: (To withhold authority to vote for any individual nominee, write the nominee's name in the space provided below.)

2. In their discretion, upon such other business as may properly come before the meeting.

I PLAN TO ATTEND []

The undersigned(s) acknowledges receipt of the Notice of 2002 Annual Meeting of Stockholders and the proxy statement accompanying the same, each dated April 12, 2002.

Please date this proxy and sign your name exactly as it appears hereon. If there is more than one owner, each should sign. When signing as an agent, attorney, administrator, guardian or trustee, please indicate your title as such. If executed by a corporation this proxy should be signed in the corporate name by a duly authorized officer who should so indicate his or her title.

PLEASE DATE, SIGN AND RETURN THIS PROXY
PROMPTLY IN THE ENCLOSED ENVELOPE.

Date

Signature

Signature if held jointly

/\ FOLD AND DETACH HERE /\